THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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NO BUSINESS BOOM YET CONDITIONS MUCH HEALTHIER

Snow Has Retarded Farm, Retail and Lumbering Activities

WAGES ADVANCING

Huge Demand from U. S. Attracts Canadian Workers—Instances of Development

Just what are business conditions in Canada, and what of the future? Always there is doubt of what the future will bring, but to that uncertainty is added some doubt as to the immediate conditions, for things are "spotty." In certain districts, where is located one of the class of industries which now rides on the wave all is bright. In a place but a few miles away the business atmosphere may be depressing. Moreover, retail business generally has been disappointing to date this year, and of course the farmers are still suffering from low prices. With hogs selling as low as $7.50, the farm optimism of the day of $22.00 hogs cannot be expected.

Yet, taking these and many other factors, favorable and unfavorable, into consideration, it does appear that conditions in the Dominion as a whole are improving—improving substantially. In the United States something approaching a boom period is being experienced. Will that soon come to us, as come many things, good and bad, from our southern neighbors? Broadly speaking the boom hasn't struck Canada yet. Some there are who think the U. S. activity will affect us adversely, taking from us many workers. There is something in the argument, and yet Canadian factory doors are opening wider. Canadian manufacturers are selling abroad in many lines which formerly had only a local market. Lumbering is active. The mines are booming. Labor is in great demand. The farmers are at least favored with plenty of moisture, and while they certainly will be late getting on the land, they did get an unusual acreage in shape in the fall so that the Canadian farm of 1923 should be at least as great in extent as in 1922.

There does seem a good year ahead, yet in many lines things are quiet now.

No Money Being Sought

A peculiar feature is the lack of financing. With money available for investments—available at a lower rental than for years—it has been expected that plenty of industrial issues would be brought out. Not so. Still there is said to be much of this financing "in sight," but very little is actually being arranged.

Snow has tied up business to an unprecedented degree this year. Retailers have been selling snow shovels when they should be selling rakes. Farmers have been kept off the land and in some districts will be off for weeks. Travellers have been unable to move freely in some districts. The reduction in retail business has caused collection problems. Goods bought with April dating usually are paid in part with the proceeds of certain March sales of these goods. There were practically no such March sales this year; hence the retailer has had to finance those April payments in other ways. Lumber camp operations have been retarded because of the snow in the bush.

On the other hand, the snow does assure a gratifying quantity of moisture for the land. Consider an instance. It is estimated that the snow around Crossfield, Alberta, is equal to 1½ inches of rain—more than the district has had in a season for some years past.

Farms in Demand

Another report of importance comes from Alberta to the effect that farms for rent are in great demand—that is in the districts with good weather history. From the dry districts farmers are moving to the good—a move which in the interests of national production is assuredly in the right direction.

Lumbering is proceeding with a rush in certain sections of the Maritimes and in British Columbia. In Quebec and Ontario snow has interfered more. B. C. mills are working to capacity to catch up with the demand. Figures recently out show the strides the province is making in its export of lumber. In 1922 there was exported 273,000,000 feet as compared with 188,000,000 in 1921. A large proportion of the increase was in Douglas fir. Australia bought in 1922, 56,000,000 feet of lumber as compared with 27,000,000 in 1921; Japan, 72,000,000 as compared with 52,000,000 in 1921.

Our nearness to the United States brings a serious labor problem. In the States is something approaching a boom and a scarcity of labor. Men are in demand and for bricklayers, plasterers, carpenters, high wages are offered. The United States Steel Company has just announced an 11% increase in wages, bringing these back to the 1921 level. In Pittsburgh, where steel activities have brought a great call for houses, rough labor is being paid 60c an hour and the rumor is that 70c will be paid in July.

This all makes an alluring Macedonian cry to "Come over and help

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HIS CANADIAN DEBUT

Just one year ago THE FINANCIAL POST published an article by Sir Henry Thornton, then general manager of the Great Eastern Railway. Did anyone at that time expect that within a year he would be plunged in the task of unscrambling Canada's government owned railways? That article was Sir Henry's Canadian debut. It was published in THE POST by special arrangement with Frank A. Munsey, publisher of the New York Herald and was a reply to a previous article that appeared in THE POST, by Mr. Munsey.

STEWART LIKELY TO MAKE CHANGES IN IMMIGRATION PLANS

Representations From Quebec are Said to Carry Weight

From Our Own Correspondent.

OTTAWA.—Some changes in immigration policy are expected when Hon. Charles Stewart again brings his immigration estimates before the House of Commons. It is thought that Quebec's representations on the subject have had effect, more importance being attached to suggestions from that quarter than to criticism in the House.

Though the House has gone after these estimates very severely, still, on the whole, it does not seem to be hostile to immigration, but rather to some of the proposals by which it is sought to stimulate it. If the bars were let down a little so as to permit the entrance of a greater number of farmers from Europe there probably would be less objection to such action than to any other.

Immigration from the British Isles and the Continent will be considerably heavier this year than last, but, on the other hand, that from the United States will be less. The Scotch form quite a proportion of the settlers now coming from the British Isles, and they are a good type.

Many reports come from the West indicating how quickly foreigners, who have a fondness for the land, get on their feet. A prominent man here from Saskatchewan said recently that a German neighbor, who had done well, felt that he ought to do something to bring out from Germany the family of a relative who had died. To bring out a family of a mother and five children cost something, for after the war some of the children, being nearly naked, had to be completely outfitted. This and their passage cost $1,600. This large sum was advanced, but within a little over a year the thrifty young German had paid it all back and had $300 in the bank.

It is quite possible that the raising of the wages of 150,000 steel workers and of several thousand textile workers in the United States may start another flow of people from this country, with the inevitable result—a labor shortage.

GOODWIN'S ASKED TO COMPLETE REPORT

Stock Exchange Demands P. and L. Account be Sent Shareholders

MONTREAL.—Quick results were obtained by Goodwin's Limited, this week when it issued its annual report minus a profit and loss statement. The executive of the Montreal Stock Exchange, where the company's securities are listed, immediately addressed a letter to the company demanding compliance with the rules of the exchange by the supply of a profit and loss statement to each of the shareholders.

The rule of the exchange governing the matter is as follows:

"That it will publish at least once in each year and submit to the stockholders at least fifteen days in advance of the annual meeting of the company a statement of its physical and financial condition, an income account covering the previous fiscal year and a balance sheet showing assets and liabilities at the end of the year."

ONLY PORTION OF ALBERTA'S COAL WOULD SUIT EAST

Much of it Not Suitable; Some Will Not Stock

FURNACES DIFFER

Western Lumps Are Large and Furnaces of the East Smaller Than the West's

Tests are being made in several Ontario cities of trial shipments of Alberta coal. The hope is that it may prove an attractive substitute for anthracite and if found suitable and it can be shipped east at a reasonable price, it is hoped to create a large market.

An Ontario business man experienced in the coal trade has just concluded a tour of all the Alberta coal fields. He brought back some valuable information. He also issued a timely warning. He suggests that if the sample shipments brought east are not suitable, general condemnation should be withheld. He says that not all the coal of Alberta is suitable for eastern consumption and not all the western coal will stand shipment east.

One of the Ottawa papers has arranged for a shipment of Saunders Creek coal to Ottawa in order to show the people of that city what Alberta coal is like. It is a well-known fact that the Saunders Creek coal comes from the mountains back of Red Deer and is possibly the best domestic coal in Alberta as it only contains 5 or 6% moisture and is very hard, but, he points out, it is mined in the mountain on pitching seams and this coal never could be put out by the mines at a price, plus any reduced freight rate, that would enable it to be landed in Ontario in competition with Pennsylvania coal.

The following is a summary of information on various Alberta coal fields:

(1) Practically all of the coal west of Edmonton, on what is known as the Coalspur Branch, is steam coal and very dirty, and it is not fit for domestic use.

(2) The coal in the Edmonton or Clover Bar field is very good providing it is used up as soon as mined, but as the moisture in this coal runs as high as 25%, it will not stock at all, nor will this coal stand handling, so is absolutely unfit for the Ontario market.

(3) There are several other fields north of Edmonton, known as the Cardiff, Morinville and Sturgeon fields, which are just a little worse than the Edmonton coal.

(4) There is a tremendous amount of coal mined in the area around Camrose, but this coal again is an inferior grade to the Edmonton coal, and is absolutely unfit for the Ontario market.

The above remarks cover all coal mined within a line drawn from Edmonton to Vegreville, to Ribstone, to Provost, to Monitor, to Youngstown, along the Goose Lake line to Munson, West of Three Hills to Red Deer, to Wetaskiwin, to Edmonton.

(5) There is a very fair coal mined at Carbon, but it is not quite as good as the upper seam Drumheller, and is considerably more friable, therefore quite unsuitable for the Ontario trade.

(6) Upper seam Drumheller coals are good, and might get by in Ontario, but they are pretty friable and will not stand very much handling, and would not stock through the summer without considerable deterioration.

(7) Lower seam Drumheller is the most feasible coal for the Ontario trade, because it is hard and will stock better than any of the other coals mined on the plains, will keep fire all night without any trouble, and if properly handled will burn with a minimum amount of ash. This is certainly the best coal in the province that can be produced cheaply, but the man who wrote in the "Globe" that

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More Anti-British Propaganda

The Russian official at Moscow whose name has appeared most prominently in connection with the shooting of the Roman Catholic prelates in Russia is Gregory Weinstein. A couple of years ago Mr. Weinstein and an associate called on the Editor of THE FINANCIAL POST to ask his opinion of the probable success of the formation of a Canadian company to buy millions of German marks; and, taking them back to Germany, acquire controlling interests in leading German industries. The Editor gently discouraged the scheme when Mr. Weinstein and his friend became enthusiastic. He has a magnetic, convincing personality, but the Editor knew his record and he failed to be convinced. Later, a company was formed with headquarters at Ottawa and with the late President Roosevelt's son as nominal head. THE POST exposed the fallacy, and, of course, none of our readers were misled, though many others were. Mr. Weinstein was one of the most active German-Soviet agents against the United States going into the war and was associated with the agency in New York which directed strikes in Canada and the United States during and since the war.

A former university professor, Scott Nearing, who was in the pay of this group, has been lecturing in Canada recently. The Soviet last year appropriated money for creating disloyalty in Canadian colleges. This is evidently Nearing's new job. During the war he claimed to be working for the "love of the cause," but copies of cheques paid him from German funds showed that he was drawing over three times as much as he had been earning as a professor.

Last autumn a foreigner addressed a secret meeting of Toronto University students—about 100 of them—to organize for the spread of disloyalty—anti-British, anti-Canadian sentiment—for the stirring up of discontent and strife.

Plotting Against Drury

THE POST, known to favor tried principles and policies, created surprise and some consternation in city business and financial circles when welcome and support were given a Farmers' Government under E. C. Drury in Ontario in 1919.

We did so, first, because intelligent, informed farmers are the safest, sanest, most conservative class in the country; and, secondly, because, though we differed strongly on tariffs, prohibition, and some other matters from him, we knew Mr. Drury to be able, conscientious, very sincere—a man who would be a fearless, just administrator; a man who could not be stampeded by self-seeking agitators or scheming supporters; a man who would not act on his life-long predilections or prejudices if he found on careful investigation that they were not in the public interests.

His Premiership has confirmed this view. He has grown steadily—not only in Ontario but throughout the Dominion—in public confidence and esteem. He had always favored public ownership but he did not hesitate to take what was then an unpopular stand against the spending of more hundreds of millions on building provincial railways through districts already served by several lines. He believed they were unnecessary and would have added to our already overburdened debt. Carefully collected evidence showed they were. In this alone he saved tax-payers of the Province hundreds of millions to which they had been committed by the preceding Conservative Government, who had gone ahead without investigation, fearing to tell the public the truth.

But he has not been an entire success as a petty politician, for he has refused to aid the schemes of some of his supporters when he thought they were not in the public interest, and he has told the truth bluntly when "white lies" and false promises might have fooled his hearers and brought him applause. Some plotting against him has been going on among those of his supporters who have not been able to use him to serve their ends, which have not been in the province's interest, and an effort is being made to dislodge him. They are supported by the men who would have profited by wasteful railway building. They may succeed in the Party and House but they have little hope of destroying confidence in him in the country. There is a general desire that he will not hastily dissolve the House as is threatened, but may complete his term.

Book Paper Makers of Canada Are Now After States Market

OTTAWA.—An announcement of far-reaching importance comes from the Canadian Book Paper manufacturers—the mills which make the grade of paper used in periodicals.

They say they have now arrived at that era of development where they can produce all the high-grade papers U. S. periodical publishers require, and deliver them at less money than their American competitors can sell for. They are asking the co-operation of the U. S. magazine publishers in a campaign for the removal of the U. S. duty. They point out that "There is no valid reason why U. S. periodical publishers should not be allowed to import Canadian paper free of duty in the same way that daily newspaper publishers are permitted to import their newsprint, nor any argument in favor of one that cannot be applied to the other."

For some years they have been selling Canadian-made book paper in competition with U. S. makers in other foreign markets and are now making efforts for further expansion. Recently they have been able to undersell the U. S. makers on low grade book papers which have been going into the United States under the newsprint tariff.

In asking the U. S. magazine publishers for co-operation the secretary of the Canadian Pulp and Paper Manufacturers' Association writes:

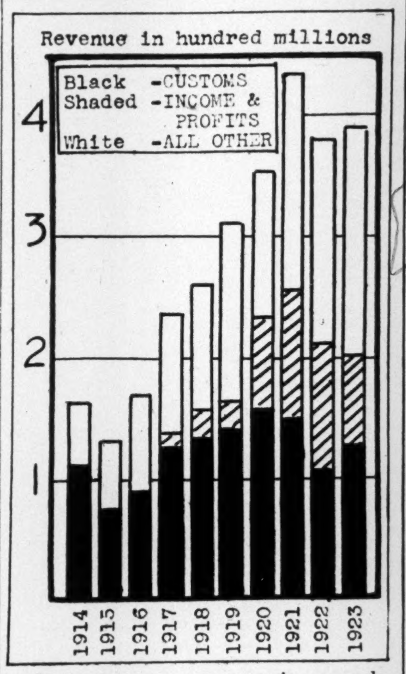
"In regard to the question of American periodical publishers drawing a part of their supply of book paper from Canada, their advantage in so doing, if it were possible, would be obvious. The only thing that stands in the way is the present prohibitive tariff. With that removed they would have access to a market capable of almost unlimited expansion. This would not only have a stabilizing effect and obviate any possibility of a dearth of paper but would probably effect a considerable reduction in their costs. There is no valid reason why periodical publishers should not be allowed to import their paper free of duty, in the same way that newspaper publishers are permitted to import their newsprint, nor any argument in favor of one that cannot be applied to the other.

"The Canadian book mills are now equipped to produce approximately 35,000 tons of paper a year. A new mill, coming into production will increase this amount to over 50,000 tons. Domestic requirements are considerably less, although our exports for the last three fiscal years average approximately 21,000 tons only. The United States took a very negligible quantity (none in 1920, 1,438 cwts. in 1921, and 42 cwts. only in 1922). Our principal outside markets are found in New Zealand, Japan, Australia, British South Africa and the Argentine Republic, and efforts are now being made to expand these.

"I am convinced, as are all the authorities here, with whom I have talked, that if the American market were opened to Canadian book paper there would be a development here paralleling that of newsprint, of which we know we are producing over a million tons annually. The same advantages, cheap and abundant raw material and low cost hydro power, are available to the manufacture of book as to the manufacture of news. In a short while we would be producing all the book paper that the United States market could absorb.

"En passant, are you aware that under the new Fordney-McCumber law half-tone news is permitted free entry into the States under a ruling admitting all paper free that is commonly used in the production of newspapers? Many magazines use this grade of paper and it might interest their publishers to be informed of this situation."

Customs Comes Back



Customs revenue occupies a relatively more important place in the 1923 revenues of the Dominion of Canada and income and profits taxes have slipped back a peg. Business depression of 1921 is one reason. The chart shows the comparative revenue from customs (shown in black) income and business profits taxes (shown in the shaded lines) and other sources of Dominion revenue since the beginning of the war. It is up to date, the 1922-1923 figures issued this week being divided in that last vertical column. The vertical columns indicate total revenue in hundred millions of dollars.

UNLIKELY BRITISH PROPOSAL TO TAX FLOUR WILL STAND

Canada's Preference and Opponents of Dear Loaf Will Oppose

From Our Own Correspondent.

OTTAWA.—In government trade circles it is considered that if the proposed British duty on flour, unless accompanied by a high percentage of offal, were put into effect the result would be calamitous for the Canadian flour milling industry; still it is thought that this is not an immediate danger. The fact that Canada grants to British products a preference of one-third will, it is believed, weigh heavily against the proposal; while even greater opposition is expected to come from the opponents of a dear loaf.

During the last six months the milling industry has had a great run of business, chiefly with the United Kingdom. The exports of flour to the end of February were 6,034,000 barrels, as against 3,920,000 for the same period last year, while the value was $33,818,000, compared with $25,292,000. Of this the United Kingdom has taken 2,756,000 barrels, as compared with 2,466,000 barrels for the same months last year. As the millers say that they could not possibly supply the proportion of offal desired, they are confronted by a serious situation, if the proposal is seriously pushed.

Milling is one of the oldest Canadian industries, having always had a strong attraction for Canadian industrial leaders. Recklessness in starting new milling enterprises caused much financial trouble as far back as the middle of the last century, and, while several banks were ruined thereby, others sprang out of resulting developments.

During the 50 years ending 1921, the capital invested in the industry increased from about $10,000,000 to $64,000,000; while the value of the yearly product grew from $45,000,000 to $194,000,000. It is one of the country's leading industries, and while its capacity is far beyond that of the home market, the demand from the United Kingdom and other countries has been considered a strong assurance of prosperity.

CUSTOM REVENUES ARE HIGHER; INCOME AND PROFITS DOWN

Government's Surplus of $77,000,000 Went Into Railway Pot

STAMP TAX WORKS

Leads to Increase in Post Office Receipts and Inland Revenue—Revenues Were Up and Expenditures Down

From Our Own Correspondent.

MONTREAL.—Two things contributed to increased revenues of the Dominion during the fiscal year that has just ended. The first was the general improvement in business conditions that increased customs and inland revenue receipts more than enough to offset the decline in business profits and income taxes. The business profits and income taxes were based upon 1921 business which was at a low ebb. The customs and inland revenue receipts were based upon 1922 business which had considerably improved. The second reason for the increased revenue was the imposition of new taxes on receipts, cheques, etc., and on certain commodities. A part of the increase is shown in the inland revenue receipts. The increase in post office revenue of about $4,000,000 is possibly due to the new stamp taxes although present systems of government accounting do not make this statement capable of proof.

The revenue of the country increased $13,270,680. The comparative figures are $384,799,134 for 1921-1922 and $371,519,454 for 1922-1923. And the ordinary expenditures of the country were reduced by $17,026,817, the figures comparing as follows: For 1921-1922, $324,758,377, and for 1922-1923, $307,731,559. Satisfactory, one is tempted to say, until the figures for the net debt of the county come in review. This stands at $2,430,202,551, representing an increase of $45,206,160. The reasons: the railways, of course. Canada had an actual surplus of ordinary revenue over ordinary expenditure of some $77,000,000 in the twelve months and could not reap the benefit because of the necessity of sinking more millions into its railways. Always this spectre faces the minister of finance when he would set about to reduce taxation or make a cut in the national debt. If by dint of putting on new taxes and saving a dollar here and a dollar there he piles up a balance on the right side of his current ledger, the government-owned railways interfere. The railway problem is the tax problem.

Customs More Important

Glancing through the revenue figures a decided change is shown in the relative importance of the country's various sources of revenue. The customs comes back somewhat towards its former importance as the chief sources of Dominion revenues. The income and business profits tax which had been crowding to the front slip back. Inland revenue produces a greater revenue than ever before in history. As pointed out earlier, busi-

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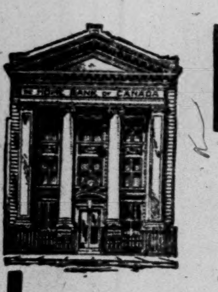

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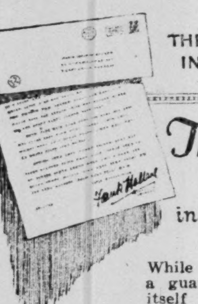

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WORLD'S SHIPPING IS IN BAD PLIGHT, FLEETS 75% FULL

Even Great Lakes Shippers Claim to Have Had Bad Year

MORE BOATS COMING

Will be Thirty New Vessels on Great Lakes During Coming Season, According to Estimates

From Our Own Correspondent.

MONTREAL. — Canadian investors are only mildly interested in the present world-wide depression in the shipbuilding industry because Canadian capital has not been extensively invested in ocean shipping enterprises. British interest controls a large proportion of the world's shipping and the British boats are operating most successfully of any in the world today. British boats are running 85% full; the world average is only 75%. The depression has hit American shipping companies worst of all. Shipbuilding was carried on at such an extensive pace during the war and after that the world's idle merchant fleets are now estimated at around 9,000,000 gross tons. Competition for trade for these vessels has brought the rates down to the pre-war basis although the cost of operating ships is still very high. The outlook for the companies is not very satisfactory and in the case of the newer entrants into the field prospects are almost hopeless.

There are only two Canadian ocean fleets that rank among the leading twenty-five or thirty in the world; they are the Canadian Government Merchant Marine and the Canadian Pacific Steamship. The Government Merchant Marine has never been a success and has piled up deficits every year for the Canadian tax payers to meet. The Canadian Pacific Steamship has worked up certain passenger service on both the Atlantic and the Pacific, which has given it substantial revenues when other ocean lines were losing out on freight business. During 1922 the C. P. R. gross earnings were cut by about two and a half million dollars, but operating expenses were reduced sufficiently to make the net result an increase in profits of $234,000.

Great Lakes Shipping

Canadian investors are more interested in the Great Lakes shipping. The largest company on the lakes that interests Canadian investors is Canada Steamship Lines. It has a fleet of 96 steamers with a gross tonnage of 223,000 tons and terminals and warehouses at 15 points on the Great Lakes. In the past, earnings of the company have been very satisfactory and there is no doubt that from the standpoint of actual assets and earning power Canada Steamships ranks well. But there is no way of forecasting what the result of the decisions of the Royal Commission on grain rates will be on its operations.

Great lakes shipping is still in a state of uncertainty due to the lack of adequate unloading facilities and storage elevators and partially due to unsystematic methods of fixing rates. During the coming year there are likely to be 30 new freighters, most of them built in Great Britain, added to the fleets of the companies operating on the lower lake. During the past year the lakes steamship companies moved an enormous volume of grain from the head of the lakes to the seaboard and it is anticipated that the movement in 1923 will be equally as large. Despite the charges of a combine to fix high rates on the lakes, most of the companies claim to have lost heavily last year and in 1921.

There have been a number of issues of bonds on Great Lakes steamers during the past two years and there are likely to be more. Such issues have proved very satisfactory in the past, but if they are to continue so there will have to be more stability of earnings than has been indicated in the past year or two. The Royal Commission, whether or not it establishes any of the points it set out to investigate, will at least have given the public an insight into the method of fixing rates on the lakes that should lead to more business-like methods on the part of the two or three companies that have not been adopting the best practices. As more and more capital will be put into lake shipping by private investors, open competition and sound business methods will prove most profitable in the end.

Farmers Have Closed Out 3 More Stores

Further progress is being made in following out the policy of closing out all the retail stores of the United Farmers' Co-operative Company, Toronto, according to information secured by Hardware and Metal from H. B. Clemes, manager of that company. Three stores were sold last week, these being at Smiths Falls, Lindsay and Cobourg. There are said to be twenty-one stores left to be sold and these are to be disposed of as quickly as possible. While it was the general impression that little hardware was carried in these stores it is noted that the percentage of hardware ranged from 5 to 42 per cent., with the average from 15 to 20 per cent.

CASH PLANT TO MOVE

The plant of J. & J. Cash Inc., manufacturers of woven labels, is to be removed from Brantford to Belleville, Ont., early in the summer. The company which already has two plants in the United States has purchased a building in the latter city.

Much Mortgage Money Seems to be Available

From Our Own Correspondent.

MONTREAL.—A first mortgage on Montreal real estate at 7 per cent. is a rarity nowadays. The best loans are being made at a rate of 6 per cent. with some few at 6½ per cent. This differs materially from the rates prevailing in Ontario. In Toronto, for instance, it is difficult to borrow at 7 per cent. except upon the most readily saleable properties and then only up to a modest percentage of the value.

There does not seem to be any shortage of mortgage funds either in Montreal or any other part of Canada. One trust company has a source of American funds which it does not call upon because it cannot find suitable loans for the money and there has been no substantial amount of British money brought to Canada, although available.

One result of the lower interest rates in Montreal is that investors who create living trusts do not get as high a net return as those living in Ontario and investing their money there. After payment of its charges the trust company can return about 5½ to 6 per cent. to the investor in Quebec who places his money with the corporation for investment, while in Ontario interest returns of 6½ per cent. and higher are common. Of course, the individual who puts his money in Western Canada will get an even higher return.

DEPRESSION WILL NOT BE RELIEVED BY MORE CREDITS

Banker Answers Questions of American About Canada

From Our Own Correspondent.

MONTREAL.—From the treasurer of a large manufacturing concern in the State of Washington, a concern which does a considerable business with firms in Western Canada, comes a most interesting letter of comment on the Canadian banking system. The letter is somewhat critical, for the writer of it has talked with many Western business men who feel that they have grievance against Canadian banks. The point is made in the letter that:

"The banking situation in Western Canada seems to cause many manufacturers and producers a considerable amount of concern. They state that as long as operators have the necessary capital to conduct their business, leaving a fair deposit in the banks, matters run along very smoothly and satisfactorily. As soon as hard times come along, however, the banks by an apparent co-ordination of effort attempt to force the sale of raw materials or finished product at sacrifice prices in order to liquidate the situation.

"It is stated that there seems to be no sympathy with the peculiar situations which sometimes arise in all industries calling for a definite and careful study of specific localities as to the probabilities of saving a situation by the giving of additional support by banks."

Collusion Charged Between Banks

A number of other points are made. The writer wonders if Canadian banks, largely controlled in the East, have not failed to get an appreciation of Western conditions. He states he has been told whenever there is a demand for funds in Eastern Canada that the banks, acting in unison, withdraw money from Western Canada. He has reason to believe that question of loans to Western firms are nearly always referred to officials in the East who are out of touch with Western problems and conditions.

He states: "Furthermore, we were informed, that on account of the apparent collusion of the banks operating in Western Canada, that there was no chance of improving one's situation by diverting one's account from one bank to another." As this concern has already established a considerable market in Western Canada and its business there will grow with the growth of Western Canada, the writer of the letter finds the ideas held by business men in Western Canada along these lines very discouraging. He feels that the situation is not what it should be, whether understood on the part of the operators correctly or not, and he says: "It seems to us that some step should be taken by the banks to correct these impressions if they are erroneous or to modify their attitude if they are correct."

What a Banker Says

The letter was submitted by THE FINANCIAL POST to the general manager of one of the Canadian banks who presented this memorandum in reply:

"During the recent years three main causes have contributed to depression in certain sections of Western Canada:

"1. Repeated crop failures in arid areas which should not have been opened up for farming.

"2. Oppressive liabilities, the aftermath of large purchases of land on long credit and at high prices during and immediately after the war.

"3. The severe decline since 1919 in prices of grain and livestock.

"Some ill-advised though no doubt well-meaning people claim that this depression would be removed if the banks would only go on lending freely, but obviously that would just make things worse for everybody in the long run. The banks have, in fact, already loaned too freely, and have lost heavily through doing so. The real need of the moment is to devise some means by which the people in our Western country can get out of debt, not means to help them get further in.

"The statements that the banks are controlled by Eastern capitalists who know little or nothing of the West, that they operate by private agreements with each other and are not really in competition, and they periodically, acting in unison, withdraw money from Western Canada, are not correct. Every opportunity will be given for the full discussion of such matters before the Banking and Commerce Committee of the House of Commons which meets next week at Ottawa, and the discussions will be fully reported in the newspapers."

In a further letter of reply to this individual it was explained that as the Bank Act comes up for revision in the House of Commons, representatives of all parts of Canada will have the opportunity of placing their local problems before the country for consideration. Undoubtedly the freest possible discussion on these points will lead to the growth of the mutual understanding as between those who loan money and those who borrow and as between different portions of Canada.

DIVERT FLOW OF TOURISTS TO B.C. FROM THE SOUTH

Direct Advertising Campaign May be Undertaken

PEOPLE WANTED

Proposal is That Offer to Immigrants be Made Much More Attractive

From Our Own Correspondent.

U. S. Congressman J. L. Manlove, Missouri, wants to put Washington on the map for tourists as the Ozark Mountain Area was. The people of Arkansas and Missouri combined and by a national advertising campaign told their story to 15,000,000 people. The first year brought 100,000 new tourists who spent $5,000,000. The second year's total was 150,000 and 1922, 200,000 Last year Los Angeles spent $300,000 in tourist advertising and the resultant tourist expenditure totalled $149,000,000.

VICTORIA.—As a means of adding to the permanent population of British Columbia and thus accomplishing a result most to be desired from an economic standpoint in this province, various semi-public and business organizations here are working to divert the annual stream of tourists from California and the south to the Pacific Northwest and across the border into British Columbia.

Several schemes, some of them so far nebulous, have been proposed during the last few weeks and some of them are now receiving official attention. Arthur Lineham, a Victoria business man, has placed before the provincial government a scheme which involves the expenditure of about $500,000 in providing permanent attractions for tourists and advertising them throughout the world.

Mr. Lineham holds that one of the most valuable resources of the province is its scenery and that this resource should be adequately capitalized. He points out that the main reason why the army of tourists has gone to California and other resort territories is that the appeal of publicity exerted by those places has been greater than that of British Columbia, whose natural advantages are such as to entitle her to an equal share of tourist patronage.

The tourist as such is, of course, merely a transient whose main value to a community is his spending power while in the country, but in British Columbia every tourist is regarded as a potential permanent resident, and permanent residents constitute the province's greatest need to-day.

Hon. T. D. Pattullo, Minister of Lands, who has been charged with responsibility for the province's various immigration schemes, is still working on a number of projects for populating the more unsettled regions of the province, but so far with indifferent success. An effort has been made to co-operate with the British government in sending out immigrants to settle in sections of the northern interior, where the government has reserved tracts of agricultural land for them and has provided the machinery whereby farms may be secured at low cost and the settlers given the advantage of agricultural education under the supervision of competent instructors with experience of British Columbia conditions.

The general opinion of those who have studied the various immigration plans so far put forward is that none of them offer sufficient guarantee to the settlers, and that some more generous proposal must be advanced before a full measure of success can be expected. Drafting of an immigration plan similar to that of Australia, which is apparently accomplishing satisfactory results and fast increasing population, is favored by several authorities. Recent announcements that the Canadian National Railways contemplate reduction in rates for settlers entering Canada from the United States have been favorably received by those interested in the immigration question here, and it is felt that the railways can probably help more than any other single agency in improving the situation.

Meanwhile local labor organizations are being assailed for circulating resolutions to the effect that new immigrants are not wanted in Canada and that an increase in population would merely add to the congestion of the labor market and make conditions for working people already in the country much worse than they are at present. This attitude on the part of labor organizations is regarded as shortsighted and selfish, and business bodies in various centres of the province are endeavoring to produce counteracting propaganda which will better represent the actual conditions.

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PRAIRIES ORGANIZE TO FIGHT COAST'S CHEAP RATE DRIVE

Would Draw Heavy Traffic From Eastern Route

WINNIPEG ACTS

Board of Trade Points Out Serious Outlook if Freight Rates Are Cut

From Our Own Correspondent.

VICTORIA. — British Columbia's campaign for equalization of freight rates, led by Premier John Oliver, is likely to be a spirited one while it lasts. Mr. Oliver belongs to the fighting type of statesman and in his present campaign he has definitely declared for a finish fight with the interests seeking to block the efforts of his government and Pacific coast business.

The opposition of the transcontinental railroads to Mr. Oliver's plea for rate reduction is well known. The latest development in the situation is the revelation of a counter-offensive against his designs by certain commercial interests of the prairie provinces headed by the Winnipeg Board of Trade.

The reasons for Winnipeg's objection to revision of the rates to substantially benefit the coast province are obvious. With a reduction in freight charges put into effect, British Columbia would obtain a vastly-increased share of the grain traffic from Alberta and Saskatchewan. The movement of grain to the Pacific coast for shipment to the United Kingdom by Panama Canal and the markets of the Orient has grown tremendously during the past year under the present schedule of rail charges. Preparing for a resumption of this movement next year on an even larger scale, Vancouver is going ahead with extensive harbor improvements and is materially increasing the capacity of its grain elevator. Private capital is also being invested in the grain elevator business on the coast to an extent far greater than in the past. It has been stated by authorities regarded as competent that, all things being equal, Alberta should ship practically 100 per cent. of its grain through British Columbia and Saskatchewan a very substantial proportion of its total crop.

Enough For All

It requires little imagination to conclude that if these developments materialize, Winnipeg and other cities that have depended on the annual flow of grain eastward for their strength will suffer. Against that argument it is declared that if agriculture is developed in the prairie provinces to anything like the full extent of its possibilities, there will be more than enough traffic to provide an abundance of revenue to the railroads and other interests involved both in the westward and eastward haul. There is naturally an inclination to deal with conditions as they are at present, and there is little doubt that reduction of rates on freight shipped to the coast according to the request of Premier Oliver will result in sweeping readjustment of the course of the grain trade, with perhaps unpleasant consequences to the economic structure that has been reared on the foundation of present transportation conditions.

There are, of course, many factors other than the grain trade that enter into the situation. With reduced railway rates, British Columbia wholesale houses will have an advantage over Winnipeg and other points in catering to the business requirements of the prairies, especially in view of the comparatively cheap water haul between the United Kingdom and other manufacturing countries, including the Far East, and ports such as Vancouver, Prince Rupert and Victoria.

Commercial rivalry between prairie distributing centres may play into the hands of British Columbia in this campaign. Had it not been for the competition between Saskatoon and Winnipeg, Premier Oliver might never have learned of the organized opposition on the prairies, because it was the Saskatoon Board of Trade which revealed the strategy of Winnipeg's counter-offensive.

Concerted Action

In an appeal addressed to various commercial bodies of Manitoba, Saskatchewan and Alberta, Mr. T. E. Hamilton, transportation secretary of the Winnipeg Board of Trade, states:

"The endeavor of British Columbia to obtain equal freight rates with those of the prairie provinces is of very serious importance. We have been carefully watching developments since the case was decided and as we understand their appeal concerted action on the part of the prairie provinces must be taken at once.

"If British Columbia gains any further concessions, to say nothing of the possibility of winning their case in full, our position is obvious. Their gain will be our loss. I am instructed to solicit your financial support at this time in an endeavor to create a fund to oppose this case when it comes up. We must emphasize the fact that this is a prairie province problem and every business man in the West will be adversely affected if British Columbia is successful. If the Western boards of trade unite in opposing the British Columbia case they cannot help being successful."

The Winnipeg Board of Trade proposes to retain Mr. Isaac Pitblado, K.C., to fight Premier Oliver's efforts. The Saskatoon Board of Trade has refused to subscribe to the fund until it has heard more of the British Columbia side of the case, and an invitation has been extended to Premier Oliver to deliver an address there. Mr. Oliver plans to accept it, and he will also speak at Calgary and other cities during the next few weeks. He has written to Chairman Frank B. Carvell, of the Railway Commission, for an explanation of the statement attributed to him to the effect that British Columbia's campaign was based largely on political motives.

LEGISLATION IN WESTERN CANADA WEAKENS CREDIT

Difficult for Creditors to Collect From Defaulting Municipality

By J. B. McKECHNIE,
Manager, Manufacturers' Life Insurance Co.

Considering the question of the indebtedness of Western municipalities, the Local Government Board in Saskatchewan was given special powers to deal with defaults in that province. It is probable that these special powers were given by the Legislature with the best of intentions, but some of them constituted a distinct interference with the contract between borrower and lender. This was particularly true of an amendment passed in 1922, by which all proceedings by a creditor against a municipality in default are stayed, if a request is made by the municipality to the Local Government Board to hold an enquiry, and this request is approved by the Board and notice published in the Gazette. Moreover, this stay of proceedings continues until the Board orders otherwise. In other words, the only remedy which the creditor has in case of default of a municipality in Saskatchewan can be taken away without reference to him.

The Local Government Board in Saskatchewan has done excellent work in recent years in regard to the oversight of capital expenditure of municipalities and the restriction of new issues of debentures, and this in time will have its effect on the general credit of Saskatchewan municipalities. But it is considered that the drastic powers given to it constitute a distinct interference with the rights of creditors.

Looking at the subject of municipal defaults in Western Canada in a broad manner, it is felt that both the lending institutions and the government have been to blame, the former not exercising sufficient discrimination in certain cases in their purchases of bonds, the latter in having allowed municipalities to borrow beyond their legitimate requirements, and for not having exercised sufficient care in inspecting and auditing the municipalities. Little argument can be advanced to say that the government should have advanced sufficient moneys to liquidate the defaulted bonds, because there never was any government guarantee back of them. However, considering the amount involved, it might have been good business for the government to have protected the credit of their municipalities, but that was a matter for the provincial government itself to decide.

It is felt, however, that some halfway measure might have been adopted so that, without interfering with the creditors' rights (without their consent), the municipalities could have been given some relief on the part of the creditor and some aid on the part of the government, until such time as they could get their affairs into better shape.

It must be borne in mind, moreover, that many investors purchased the bonds of certain Western municipalities when these municipalities were in good financial condition, but later on, owing to subsequent excessive issues authorized by the provincial statutes, they got into difficulties and the original bondholders had no priority. Incidentally this brings up the question of whether in a new country like Western Canada considerably more confidence could be obtained and an automatic check placed on municipal borrowings, if some system of priority in bond issues were established.

One must have sympathy with the difficulties which a comparatively new country such as Western Canada experiences in its development. Patience must be exercised, and every effort made to give the municipalities and individual borrowers an opportunity to get on their feet, but one feels that this must be brought about by an arrangement between borrower and creditor, and not by drastic legislative interference with the legal rights of the creditor. After all, the investment institutions, as has been pointed out, have a very large stake in the country and have nothing to gain by dealing harshly with the borrower, and thus destroying the security to which the creditor must look for the return of his capital.

The theory that mortgagees are anxious to obtain foreclosures, like the theory that life insurance companies desire lapses, should be placed in that large class of illusions which actual facts quickly dissipate. If those holding these theories could but see the amount of energy mortgagees expend in eadeavoring to keep their borrowers from getting in arrears, and life insurance companies to prevent their policyholders from lapsing their policies, they would no longer believe in these worn-out theories.

The result of all this unwise legislation has been that British and foreign capital is being withdrawn from Canada, and Canadian capital is not flowing in as freely as under more reasonable conditions it would do to meet the needs of sections of the Dominion where development is retarded for lack of it.

There is much good sense in the suggestion which has been made recently that it would be helpful to the credit of the whole of Canada if an amendment to the British North American Act was obtained, under which, as in the case of the Constitution of the United States, no act would be valid which interfered with contracts legally made.

Before the credit, particularly of the Western provinces, can be put back to where we all would like to see it, two things must occur:

(1) An ability to carry their debts must be shown.

(2) The unwise legislation referred to must be removed.

I think it is only fair to say that there are grounds for believing that the present government leaders in Western Canada fully realize the position and are anxious to take steps to rectify the errors of previous legislation. For example, we have good grounds for hoping that in Alberta the legislation interfering with the covenant in the mortgage deed will be rescinded, and that the other objectionable matters will be rectified in due course. It is a hopeful sign to read a statement made by the premier of one of the Western provinces in an issue of one of our Toronto papers a few months ago, in which he stated that:

"Capital is necessary to our development. Nothing that may alter the original conditions under which investments have been placed in the past is in the interests of the people. Rather than change the status of loans this government has endeavored to bring debtor and creditor together with a view to a mutual solution of their difficulties. Legislative machinery for this purpose has been established, and already good results have been obtained."

AMERICAN MONEY TO DEVELOP PULP RESOURCES OF B.C.

New York Newspapers Said to be Behind Big Projects

WOOD AND POWER

Raw Materials in Plenty and Panama Canal Route to the Atlantic Ports Are Attractive Features

From Our Own Correspondent.

VICTORIA.—Expenditure of close to ten million dollars in new pulp and paper properties in British Columbia will be made during the next two years if negotiations now in progress are concluded successfully. The capital will be American.

Abundance of timber and water power are the two factors that are working in favor of British Columbia's becoming increasingly important as a source of pulp and paper, and the Panama Canal route, which offers the advantage of a cheap water haul to the Atlantic coast, is another point that will be made the most of by the companies establishing in this province. Proximity to the growing markets of the Far East and Australasia is yet another.

New York newspapers are said to be behind negotiations now going on for the acquisition of the Prince Rupert Pulp & Paper Company's holdings at Prince Rupert. Since the death of John S. Emerson, founder of the company, market depression and other unfavorable conditions brought about financial difficulties and efforts have been made recently to dispose of the mill and timber. Seven billion feet of pulpwood is available in that section, which would be sufficient to meet the needs of the syndicate for an indefinite period, as spruce and cottonwood would be the principal species utilized. Most of the timber is located in the valleys of the Skeena and Kispiox Rivers. Several large tracts have been offered at from 50 cents to $1.50 a thousand. If the deal goes through, expenditure of between $5,000,000 and $7,000,000 is involved. The mills at Prince Rupert have been in use for only a comparatively short time and are of modern type.

Chicago Interested Too

If the New York syndicate manages to arrange satisfactory terms with the present owners, they will be able to duplicate in a general way the plans of a Chicago newspaper alliance, which is behind the pulp and paper enterprise recently started at Elko, on the Elk River, Kootenay district. The concern is known as the Wigwam Pulp & Paper Company.

Nelson will be the site of new pulp and paper mills in the near future if plans now being worked out by Howland & Waltz, Minneapolis manufacturers of pulp and paper, materialize. An option has been taken on a site in Nelson and also on the water rights held by the old Kootenay Pulp & Power Company at Granite Falls, four miles from Nelson and eight miles from Bonnington Falls. In addition, the interests behind the new deal have taken an option on thirty acres on the shore of the Kootenay River. One of the difficulties of the company has been to obtain power, but it is probable now that an adequate supply will be obtained either from the city of Nelson or from the West Kootenay Light & Power Company, which also supplies power to the big mines of the Consolidated Mining & Smelting Company.

Howland & Waltz, who are representing large Middle Eastern interests, as well as themselves, in the present negotiations, own extensive pulpwood limits near Kaslo.

BUILDING INCREASES STEADILY

From Our Own Correspondent.

NEW YORK.—Commenting upon building construction in Canada during 1922, the Financial and Commercial Chronicle points out that the volume of building construction in the Dominion has grown steadily since 1919. It predicts further increases in the coming year.

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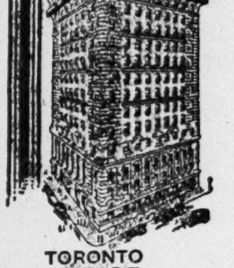

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News and Views for Investors

BRANDRAM-HENDERSON

Always generous in its dividend policy Brandram-Henderson followed up the improvement in business last year by putting the common on a 4% basis for 1923. Last year's dividends were at the rate of 3 per cent. The regular 7 per cent. preferred dividend has been declared.

FORT WILLIAM PAPER

The Fort William Paper Co. is completing the installation of a second paper machine which will be ready for operation shortly. There is one paper machine now operating and with a second in commission the plant will have a total capacity of 160 tons of newsprint per day.

D. U. R. EARNINGS

Gross earnings of the Detroit United Railway for the month of March show an increase of $130,017, this being an average daily increase of $4,194. On Saturday, March 31st, gross earnings showed the record-breaking increase of $16,370. On April 1st, they were up $8,307, and on April 2nd increased $6,812.

SPANISH RIVER

Spanish River Pulp & Paper Mills has succeeded during the past season in cutting its entire supply of about 300,000 cords of pulpwood for current year and is now awaiting spring break-up. Company is working at 100 per cent. of capacity in all branches and with current prices of newsprint at $75 a ton, and with ready market available, a better margin of profit is anticipated.

CANADA BREAD

Canada Bread is now on the final quarter of its fiscal year and it is generally believed that the statement will be an extremely satisfactory one. Profits are running at a new high level, it is understood, and the question of a dividend on the common is certain to be raised at the annual meeting. While nothing may be done for the third quarter of the year, it is anticipated that the stock will be placed on a dividend basis in the final quarter.

PORT HOPE SANITARY

The present activity in Port Hope Sanitary preferred would be explained by the report current on the street that the company contemplates the retirement of a good proportion of its preferred stock this year. Port Hope is in a position to do so, and the street report which appears well founded is that the stock will be retired at par or better. The company has no funded debt, and such a course would naturally add to the investment attractiveness of the issues.

ONTARIO STEEL PRODUCTS

Ontario Steel Products is sharing in the increased steel business of the country to a great extent and has been very busy for some time on automobile springs, having had some quite large orders for same, and with the improvement in the automobile business, the company expects a continued increase in the business of its different products, the automobile springs business having been particularly good. It is understood that their year will be a very much improved one.

HIGHER PRICES RELEASES WHEAT

Western farmers are rapidly parting with large stocks of wheat, the result of the one twenty price offering. About hundred million bushels are still in farmers' hands, being held chiefly on strength of "Hold Your Wheat" slogan started by grain grower associations last fall. Daily advances are releasing increased quantities. The railroad officials aver no danger of a blockade on shipments to the head of the lakes, even if navigation does not open until the end of April.

VIPOND

High grade ore, the richest ever taken from the mine, has been struck on the Vipond Consolidated. This report from the north was responsible for the recent show of strength of this issue when it regained about ten of the points it lost a week or so ago. The find is said to have been made on the 400-ft. level—where the operations were being carried on to cut Hollinger viens running into the property. The vein where opened is nine feet wide and the ore runs $34. The wall rock is highly mineralized and the whole gives promise of excellent ore.

BRAZILIAN BONDS

Notwithstanding the continued depression of the Brazilian milreis over the past few months the trend of Brazilian bond values on the London Stock Exchange has been distinctly forward since the opening weeks of the year. The two funding loans of 1898 and 1914 have advanced from 80 and 67½ to 87 and 75, respectively. The 4½'s of 1883 have risen from 46½ to 52. Railway Recission 4's, which touched 35 in 1920, advanced this year from 42½ to 45.

It is significant that there is not a single case of declining quotations as from the second week in January to the third week in March. It is evident, therefore, that bondholders in England, whose experience of Brazilian Government financing dates from the 70's, are not at all alarmed by the reported rumor of a funding loan, or by the low exchange value of Brazilian currency. They have seen two funding loans before, and on two occasions a rate of exchange approximating that now current. A forward movement in bonds would seem to express the confidence of London that President Bernardes will keep his promise to retrench and reform.

HOLLINGER

Despite denials made by officials of the Hollinger, the rumor persisted that President Noah Timmins was in London to close a deal for control of Hollinger. The reports even went so far as to fix the price at $100,000,000. The Associated Gold Fields of South Africa was named as the purchaser. THE FINANCIAL POST got in touch with one of the leading financial houses in London and his reply should set these reports at rest. He wires, "No truth in the rumor, Associated could not finance such a deal."

AMERICAN CYANAMID

The American Cyanamid Co. (whose stock is listed on the Toronto Stock Exchange), will probably show earnings for the fiscal year ended June 30 of over $1,500,000, about five times dividend requirements on $5,595,900 preferred, equal after preferred dividends to approximately, $20 a share on $6,594,300 common. This compares with net income of $197,992 in 1922 and $344,110 in 1920. Sales volume is larger than last year, and the plants are operating full and sold up for the present season. Output is about equally divided between cyanamid sold to fertilizer companies as one of the important constituents of fertilizer, and cyanide, used in mining. Large sales of cyanide are made to the gold mines in the South African Rand as well as in the United States, Canada and Mexico. Owl Fumigating Co., a subsidiary in California, which makes Hydro-cyanic acid for fumigating fruit orchards, has been making good progress.

Loan Companies Will Make Case to Ottawa

From Our Own Correspondent.

MONTREAL. — It is understood that Sir Thomas White, K. C., has been retained by the loan and trust companies to confer with Ottawa regarding the recent rulings of the income tax officials affecting their debentures. This is the ruling which seems to indicate that income tax will be charged on the gross income of the companies, not upon their net income after paying debenture interest.

MANITOBA'S CREDIT SYSTEM TO CHANGE

From Our Own Correspondent.

WINNIPEG. — Provincial treasurer's suggested amendments foreshadow the stabilization of Manitoba's rural credits system as outlined in recent Jackman-Collyer findings. Hon. F. M. Black proposed to restrict individual loans to $1,500; to limit rural credits societies in loaning power to twenty times the amount of their paid-up capital. Another provision requires societies to restore equilibrium by calling up further percentages of their subscribed capital.

The increasing certainty of a provincial income tax for Manitoba has brought a demand from Winnipeg council that the city be allowed 70 per cent. of the proceeds of any income tax levied by the province within Winnipeg.

The Legislature declined to permit the city to institute a civic income tax at this time.

The Bracken government has forced through its main estimates which provide for $11,224,134 expenditures. While estimates were in committee, reductions approximating $17,000 were sanctioned.

"Protests against the government's Budget, with its plans for an enormous increase in taxation, must now go by the board," comments the Tribune, adding, "New taxes become necessary to balance the province's books. A policy of economy becomes a bitter jest in the face of the estimates. Manitoba can only grin and bear it."

Immediate repeal of the moratorium on mortgages in Manitoba as suggested in financial circles, gains scant apparent support from the government, which proposes a gradual repeal over a period of probably three years.

MARKET CONTINUES NERVOUS AND SLOW; MINES ARE ACTIVE

New York List Sags and Canadian Lists Slow Up

SOME ISSUES MOVE

Bonds Are Rather Quiet—Discrimination is Urged Upon Buyers From Now On

There has not been a free and easy market for some days. For the most part trading has been dull. At times there were spurts of activity but there was always a nervousness present which made impossible free and easy trading.

New York has been spotty and weak and this has reflected heavily on the Canadian markets. The local lists have not been weak. At times there have been soft periods, but these conditions did not prevent many issues from soaring to some new levels. There was no outstanding group in the show of strength made at times but several individual issues, mostly in demand because of some exceptional and favorable news, rose to new high levels.

The mining list has been a real feature. In fact a good portion of the trading on the Toronto Stock Exchange has been in the mines. On some days the volume of business would be pretty small if the total of the mines was subtracted from the day's trading.

On the Standard the mining activity goes on apace, although hardly with the frenzy of a week or so ago. The power situation at Porcupine set things back for a time. Then the Lorraine field developed and it took up the burden of attention. It is expected that the power situation in Porcupine will be cleared soon and this will doubtless start things again.

The industrials and utilities have provided most of the trading in the general list and for the most part they have held their own or gained ground.

The bond market has been rather quiet. There has been a shortage of issues and the trading has been in small lots for the most part. Prices remain steady.

The world continues to watch the list closely. A market leader who has just returned from New York said that the feeling down there is that the present market will get another kick upwards before the bull movement will end. However, discretion and discrimination will have to be the watchword from now on.

Hayden and Stone say:

"Aside from the extraordinary activity, there are, it seems to us, two outstanding factors in the situation. First, is the rising cost of doing business. High prices for raw materials mean larger amounts tied up in inventory; rising wages mean larger weekly cash requirements for pay roll. In short, there is need for abundant working capital. Under these conditions the banks will find uses for their loanable funds at attractive rates.

"On the other hand, the evidence they give of being able to take care of current business requirements at this level of activity in prices, without undue strain, is reassuring. The point is that while there is no evidence of any acute shortage, it is also quite certain that there will be no large amounts of idle funds and any undue attempt at expansion from this level, either for market or construction purposes, would only defeat its own ends by raising the current rate to unprofitable figures.

"The second feature is the pressure that is being brought to bear against inflation. The experience of 1920-21 is being constantly recalled and even with order books filled up, manufacturers are going slow in buying against orders. There is little or no tendency to buy raw materials in excess of amounts required for orders. There is not, we think, an unduly large inventory being accumulated, at high prices, as was the case the case four years ago; moreover, orders are being closely scanned to eliminate, so far as possible, the danger of cancellation. Herein lies the strength of the situation and the probability of indefinite prolongation of activity.

"Indeed, every effort is being made in this direction by leaders of thought and action, both in the industrial and political fields. They are, naturally, glad to see the pot boiling, but will take all reasonable measures to prevent its boiling over.

"We feel that, at this stage of the market, the keynote of the situation is discrimination. If business is, as we think, to continue good for quite a period to come, there are undoubtedly earnings that the market has not yet adequately reflected. A much further horizontal advance is hardly to be expected, but there is still a good opportunity on the constructive side in a study of values, with the idea of selecting unappreciated issues."

British Empire Steel Still Affected by Ruhr

From Our Own Correspondent.

MONTREAL.—British Empire Steel Corporation's sales of ore from the Wabana mines, in Newfoundland, have been adversely affected by the French occupation of the Ruhr district, for the ore was largely sold to Germany. When he returned this week from a trip to Europe, D. M. McDougall, vice-president of the corporation, stated: "In regard to Wabana ore the present conditions do not indicate that there will be any extensive sales made this year, or sales to Germany. There are two factors, one is the taxation imposed by the French and another the new regulations introduced by Germany. These latter have only become known within the past few days, and we are not in full possession of the details."

Dominion Textile Raising Wage Scale

From Our Own Correspondent.

MONTREAL.—Following increases in wages of steel workers in Canada comes the prospect of rather extensive increases in the wages of those employed in the textile mills. The Dominion Textile Corporation is likely to lead the van with an increase of about 12½ per cent. that would take effect practically at once. This would bring the wages of the Dominion Textile employees back to within a small percentage of the highest peak reached in 1919, for the company has instituted but one cut of about 15 per cent. since the days of after-war prosperity in business generally.

None of the other mills so far as is known have definitely decided on wage increases but a standard would likely be reached throughout the industry.

NIPISSING OUTPUT HALF A MILLION HIGHER THAN 1921

Profits Showed Material Increase—Costs Were Up

Nipissing Mines Company produced 3,423,000 ounces of silver during the year 1922, according to the annual report just issued, and which will be presented to shareholders at the annual meeting at the end of this month. The total value of output was $2,532,354, as compared with $1,869,566 in the previous year. Cost of production was $1,127,521, or 44.52 per cent., as compared with 48.18 per cent. for 1921; profits from operations amounted to $1,404,833, an increase of $900,780, while interest on bonds brought the total income to $1,549,760. After subtracting costs of operating outside properties, the net income was $1,485,708, which, added to the surplus brought forward from the previous year, made the amount available for appropriations $5,336,951, as compared with $4,786,242 before. Dividends paid totalled $1,120,000, and the balance carried forward into the current year was $4,216,951.

The average net price received for silver at Cobalt during the year was 67.173 cents per ounce.

In his remarks on the year's developments, R. B. Watson, the general manager, said:

"It is a pleasure to report another good year at the mine, with the best production in the last four years. A total of 3,423,115 fine ounces of silver was produced at a cost of 32.94 cents per ounce. This is an increase of 4.4 cents per ounce over 1921. The major part of this increase is accounted for by a material decrease in Canadian exchange earned, but the net profit at the mine was $1,404,833 compared with $968,787 for the previous year. The average net price received for silver at Cobalt was 67.173 cents per ounce.

"Considerably more exploration was done than during recent years and the results were so favorable that notwithstanding the production of 3,400,000 ounces, the known ore reserves were only decreased 389,000 ounces; they now stand at 2,615,000 ounces. The low grade mill ran steadily throughout the year, except for a ten-day shutdown at the time of the Haileybury fire. The average grade of ore was 44 ounces per ton, which was an increase of 2.4 ounces per ton over that previous year. Large shipments of Cobalt residue were made, which cleaned up our stocks outside of the 1922 production.

Gave up Several Options

"A good many properties were examined during the year, and work was done on several of them. The Richester option was given up after further diamond drilling, and a property in the Kirkland Lake district also drilled without favorable results. In The Pas, Manitoba district, a large body of sulphide ore was diamond drilled; this showed some values in gold and copper, but was too low grade to pay. There were no encouraging developments in this district and operations were continued in August, 1922.

"The mine can be relied upon for a good production during the current year."

Prospectors Planning Rush to North Quebec

From Our Own Correspondent.

MONTREAL.—As the spring opens up it becomes more evident that a miniature gold rush into northern Quebec will materialize this year. One result will likely be the development of more mining camps in the counties of Temiskaming and Abitibi, just east of the Ontario boundary. Gold was discovered in these two counties early in 1922 and the rush of prospectors began in March of that year. In October, 1922, 250 claims were staked comprising about 50,000 acres of land and this with other claims staked earlier in the year and since October last would bring the total number of acres up to about 90,000.

A record office has been established at Ville Marie in Temiskaming County by the Quebec Department of Mines. This point is a terminal on the new railroad penetrating northern Quebec and is the gateway to the new Quebec gold field. Plans of the Quebec Department of Mines are to survey practically all of this country this summer and very shortly there will be available geological reports that will give them an excellent idea of the possibilities of the new gold countries. While it might be called a new gold country, it really is a continuation of the northern Ontario gold fields that have been developed and have proven so productive.

ENLARGE WESTINGHOUSE PLANT

The Canadian Westinghouse of Hamilton is contemplating erection of an addition to its present factory at a cost of $1,250,000.

AMES HOLDEN TIRE STARTS OFF WITH WORKING CAPITAL

Bondholders Will Now Receive New Name of Income Charge Securities

NEW DIRECTORATE

No Longer Any Connection With Ames-Holden, McCready—Current Liabilities Paid

From Our Own Correspondent.

MONTREAL.—With current liabilities taken care of, with working capital in its treasury and excellent contracts on its books, the new Ames-Holden Tire and Rubber Company starts off this week with a clean sheet. Reorganization of the old Ames-Holden Tire Company has been completed and the bondholders' committee was able this week to announce the names of the new board of directors. Holders of the 7 per cent. bonds of the former company, due 1939, have been notified to present their bonds for exchange into a new bond paying 7 per cent. interest, when earned, and maturing in 1943. They will get, too, a bonus of 25 per cent. in common stock.

The old company had outstanding $980,000 of 7 per cent. first mortgage bonds. The holders of these bonds receive the new cumulative income bonds mentioned for the full par value plus interest to date. Ahead of this issue there has been created a new first mortgage bond issue of $250,000, part of which was sold to the former bondholders and the remainder taken up privately, to provide the company with working capital. Unsecured creditors accepted 7 per cent. cumulative preference stock in payment of their claims. Holders of preferred stock in the former company receive 125 per cent. of their holdings in common stock of the new company. The common stock of the old company has been wiped out entirely.

Fixed Charges Reduced

The result of the new arrangements is to bring down the fixed charges to 7 per cent. of $250,000 instead of 7 per cent. of $980,000 as before, for the interest on the new income bonds will not be paid unless earned.

As shareholders and bond holders had previously been advised, the company has entered into an agreement with B. F. Goodrich Company of Akron, Ohio, to manufacture Goodrich tires for the Canadian and to some extent for the export trade. This will greatly augment the sales of the company but does not mean that the Ames-Holden tire will be replaced. Arrangements have been made to continue to distribute the company's own tires.

A new board of directors has been formed, on which will sit representatives of the interests that brought about the reorganization and arranged the sale of the $250,000 of bonds and representatives also of the B. F. Goodrich Company. The new board consists of the following:

A. J. Nesbitt, president, Montreal.
W. B. Wiegand, vice-president, Montreal.
Russell D. Bell, Montreal.
G. A. Morris, Montreal.
H. K. Raymond. The B. F. Goodrich Co., Akron, Ohio.
W. O. Rutherford, The B. F. Goodrich Co., Akron, Ohio.
H. Hough, The B. F. Goodrich Co., Akron, Ohio.

The active management is in the hands of the vice-president and general manager, W. B. Wiegand.

The former company was controlled by Ames, Holden, McCready, Limited, but the wiping out of the common stock has changed this situation and there is now no financial connection between the organizations.

MANY CONCERNS JOIN DOMINION CANNERS

Details of Amalagmation Are Not Complete and No Terms Announced

From Our Own Correspondent.

HAMILTON.—The amalgamation of between thirty-five and forty independent canning factories with Dominion Canners, Limited, has been consummated. Plans for this amalgamation have been under way for some time past, says Canadian Grocer, and with the expiration of certain options, the project has been realized. Promoters of the same are not just yet prepared to state, in its entirety, the list of factories that now join forces with Dominion Canners. There are still possibly two or three more concerns to be included. and some that while it is fully expected they will come in, have not given their final decision.

It is asserted that the new concern will represent a capitalization of between eight and ten million dollars, and will constitute one of the strongest organizations of its kind on this continent. No cash transaction enters into the scheme, and it is stated to Canadian Grocer that there will be no new stock issue in connection with it.

Leaders in the amalgamation say: "It will mean cheaper packing of fruits and vegetables. Operating costs, we believe, will be very considerably reduced under the new plan and the trade, and ultimately the consumer will reap the benefit. For instance, one box factory will be able to supply the needs of all the factories. Then again, in the matter of insurance, the new organization will be able to get a lower rate. There will be no overlapping in the way of packing. Certain factories will be operated for certain products altogether, and the endeavor will be to run factories to full capacity. Over-production of one line will be avoided, and there will be a better distribution of the various products."

Dominion Canners, Limited, with which the independents are lining up, was incorporated in 1910 to acquire the Canadian Canners, Limited, of Hamilton, having 34 plants and taking in 15 others. In 1915 the seven plants of the British Canadian Canners, Limited, were acquired. The company has an authorized capital of ten millions, of which approximately five millions have been subscribed and paid up as follows: Common, $2,797,000; Preferred, $2,290,600. Bonds, authorized, $2,500,000; Issued $1,956,000. Redeemed $636,000.

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TWIN CITY

Our table shows an increase in Twin City Rapid Transit Property and Reserve accounts of $20,000,000, contrasted with an increase of $385,000 in Funded Debt, since 1910. Property and Reserve increased by 42.45 per cent. and Funded Debt increased by only 1.92 per cent.

Road & equip., 1922	$57,756,000	
Road & equip., 1910	46,016,000	
Increase		$11,740,000
Reserve, 1922	$10,908,738	
Reserve, 1910	2,185,766	
Increase		$ 8,722,972
Funded debt, 1922	$19,888,000	
Funded debt, 1910	19,503,000	
Increase		$ 385,000
Property and reserve increased		$20,402,972
Funded debt increased		385,000
Common stock, 1922	$22,000,000	
Common stock, 1910	20,100,000	
Increase		*$1,900,000

*This $1,900,000 new stock was subscribed at par ($100) in 1914. Between 1902 and 1914, $6,501,000 common stock was subscribed at $100 per share.

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Tonopah People Add To Kirkland Holdings

The King Kirkland Mine of Kirkland Lake, consisting of 389 acres, has been purchased by the Tonopah Mining Company of Nevada. The same company now control and will operate the Wood Kirkland and Moffatt Hall which, in conjunction with the King, places under control of the American mining interests a total of 1,679 acres, so that the acquisition of King Kirkland, together with the other two properties, constitutes the largest property deal yet consummated in this camp.

Will Bell Telephone Finance by Bonds Rather Than Stock?

From Our Own Correspondent.

MONTREAL.—There is no likelihood that Bell Telephone will issue any new stock this year, for the company has sufficient capital to carry out any plans for expansion that will materialize during the next eight or nine months. If the company decides to finance further extensions by the issuing of bonds there may not be any important additions to the capital stock for the next few years.

The company has $16,750,000 of bonds outstanding due on April 1. 1925, less than two years hence. Actual assets total around $70,000,000 and are increasing daily. The bond issue of $16,500,000 is very small for such a large value of fixed and tangible assets. Earnings in 1922 were $3,969.000, applicable to bond interest although charges were only $1.035.000. This would suggest that a bond issue of sufficient proportions to refund the $16,750,000 now outstanding and to provide new capital for expansion would be easy to arrange. It would be a cheaper method of financing than to sell more stock.

The company is authorized by act of Parliament to issue bonds as a first charge on its lines, works and plant (not on its real estate) but it is provided that the amount of bonds outstanding shall not exceed 75 per cent. of its capitalization.

The provisions of the two bond issues outstanding are so simple that the new issue could be arranged to be sold, say, in the spring of 1924. The 1925 bonds could then be redeemed and sufficient of the new bonds put in escrow to redeem any that were not presented for payment. This would give the company capital for its 1924 works.

The Bell Telephone bonds outstanding are as follows:

$11,250,000 5% bonds, dated 1895; due April 1, 1925.

$5,500,000 7% bonds, issued in April, 1920, due April 1, 1925. Offered to the public at 98 to yield over 7.45%.

PORTO RICO EARNINGS

Following is a comparative statement of earnings of the Porto Rico Railways Company, Limited, for the month of February, 1923, and the first two months of the present year, as compared with the corresponding periods in 1922:

February	1922	1923	Increase	%
Gross	102,160.85	107,724.38	5,563.53	5.44
Net	39,808.67	43,100.34	2,291.67	5.75
For Two Months				
Gross	212,306.25	220,075.15	7,768.90	3 66
Net	88,913.93	89,196.09	282.16	0.32

STOCK MOVEMENTS OF THE WEEK

Week Ending April 10

BANKS—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	199	197	200	197	197	153
Dominion	12	200	199	200	199½	199½	177
Hamilton	12	168½	—	169	168	168½	37
Hochelaga	10	148½	148	148	148	148	30
Imperial	12	191	190	193	190	190	120
Molsons	12	176	—	176	174	175	15
Montreal	12	—	235½	237	235½	237	214
Nova Scotia	16	—	262	265	263	263½	59
Royal	12	—	216	216½	216	216	79
Standard	14	—	212	212	212	212	83
Toronto	12	192	190	192	191	191	27
Union	10	136½	136	136½	136	136½	254
Industrials, Utilities, Etc.—							
Abitibi Paper, com.	4	—	69	71	67¾	69	2924
Do., pref.	7	—	100	100	100	100	10
American Cyanamid, com.	—	45¾	—	45	45	45	10
American Salesbook, com.	—	38	36	37	35½	36	158
Do., pref.	7	93	92	93	92	93	76
Asbestos Corporation, com.	6	70	—	70	68½	69¼	143
Do., pref.	7	—	88¼	89	89	89	35
Atlantic Sugar, com.	—	25	24	25	23	25	160
Bird & Son, pref.	7	93½	—	93½	93½	93½	35
Barcelona Traction	—	18	17½	18½	17½	18	345
Bell Telephone	8	119¾	119¼	120¾	118¾	120½	916
Brazilian Traction, com	4	50¼	50	50¼	47¾	50⅛	6523
B. C. Fishing	—	19	16	18	17	18	70
British Empire Steel, com.	—	—	8	8¾	8	8¼	284
Do., 1st pref.	7	70	69	70	69¾	69¾	272
Do., 2nd pref.	—	23¼	22¾	24	23	23¼	751
Brompton Pulp, com.	—	43	42¾	43⅜	40¾	43	4590
Burt, F. N., com.	10	140	135	140¼	140	140	45
Canada Bread, com.	—	60	—	63	60	60	60
Do., pref.	7	95	—	95	94¾	94¾	234
Canada Car & Foundry, com.	—	33	30	31	30	30	140
Do., pref.	—	76	74	75½	75	75	70
Canada Cement, com.	6	85½	84½	85¼	83½	84½	957
Do., pref.	7	104	102	103½	103	103½	201
Canada Steamships, com.	—	18¼	17½	18	17½	17¾	345
Do., pref.	—	51½	51	51½	50¼	51½	781
Canadian Converters	7	103	102½	103	100	103	1593
Canadian Cottons, com.	8	135	133½	135¾	134	134	475
Do., pref.	6	—	89	90¼	90	90	30
Can. Foundries & Forgings, com.	—	—	35	35	35	35	100
Can. General Electric, com.	6	92½	91½	91½	88¾	91½	1717
Do., pref.	7	—	103	103⅛	103	103⅛	19
Canadian Locomotive, pref.	7	97	95½	96	94	96	216
Canadian Pacific Railway	10	152	151	152	151	151½	205
Canadian Salt	8	112	110½	112	110½	112	10
Carriage Factories, com.	—	3	—	3	3	3	25
City Dairy, com.	10	140	138	137½	137½	137½	10
Do., pref.	7	—	103	104	104	104	26
Consumers Gas	10	153⅛	153	153⅜	152½	153⅜	271
Crow's Nest Pass Coal	6	50	48	49	48½	48½	51
Detroit United Railway	6	78½	78	79	76	78	2927
Dominion Bridge	4	74½	—	75	73	74	84
Dominion Canners, com.	—	38	37	39	31	37	310
Do., pref.	7	86	—	87	83	87	174
Dominion Glass, com.	7	102¾	102⅜	103	94	103	1752
Dominion Telegraph	6	45	44½	44½	44¼	44½	34
Dominion Textile, com.	12	70⅞	70¾	71	70¾	70¾	959
Do., pref.	7	—	106¼	106½	106½	106½	10
Dominion Iron, pref.	7	—	75½	75½	75½	75½	30
Dominion Steel Corporation, pref.	6	81½	—	82	81½	81½	29
Duluth Superior	—	—	35½	35¾	35	35¾	167
Goodyear Tire, pref.	7	93½	93	94	93	93	128
Howard Smith Paper, com.	6	83	80¾	83	80½	80½	371
Do., pref.	8	106	105½	107¾	106¾	107¾	200
Illinois Traction, com.	—	44¾	44½	45	44½	44½	955
Do., pref.	6	82¼	—	82½	80	82	602
King Ed. Hotel	10	50	45	48	45	45½	22
Kaministiquia Power	8	125	—	125	125	125	20
Lake of Woods Milling, com.	12	180	—	180	180	180	25
Do., pref.	7	—	115	115	115	115	20
Laurentide Paper	6	92½	91⅞	93½	91½	92	791
Lyall Construction	—	45	41½	41½	40½	41½	70
MacDonald, A., com.	—	10	8	8	8	8	130
Mackay, com.	7	114⅞	—	116	115	115	310
Do., pref.	4	69	68	69¼	68	68	98
Monarch Knitting, com.	—	—	40	40	40	40	22
Do., pref.	7	—	82	82	82	82	11
Montreal Cottons, pref.	7	110	—	109	108½	109	75
Montreal Light, Heat, Cons.	6	114	113½	114½	114	114	858
Maple Leaf Milling, com.	8	118	—	119	118	118	90
Do., pref.	7	101	100	100½	100	100½	127
Montreal Trams	10	149	—	150	150	150	4
National Breweries, com.	4	51½	51	51⅛	50½	51⅛	300
Ogilvie Flour, com.	12	330	323	325	320	325	21
Do., pref.	7	120	119⅞	120	120	120	25
Ontario Steel Products, com.	—	—	44¾	46	44½	46	270
Ottawa L. H. & Power	6	86½	86	86½	86	86	56
Ottawa Traction	4	60	—	60	60	60	6
acific Burt, com.	6	—	100	100	100	100	58
Do., pref.	7	108	106¾	106¾	106	106¾	43
Penmans, com.	8	156	155	159½	149¾	156	1545
Do., pref.	6	—	95	95½	95½	95½	10
Price Brothers	2	44½	44¼	45½	44¼	44¼	1020
Porto Rico Railways, com.	—	28	27	27½	27	27½	20
Provincial Paper, com.	6	92	—	92	92	92	25
Do., pref.	7	98	—	97¼	96	97	34
Quebec Railway	—	2	21½	22	21¼	21½	390
Riordon Pulp, com.	—	8	6	7	7	7	76
Do. pref.	—	9	—	10½	10	10	125
Rogers, William, pref.	7	95	90	94	94	94	7
Port Hope Sanitary, com.	—	50	45	48	47½	48	45
Do., pref.	7	92	91½	92½	90	92½	170
Shawinigan	7	116¼	115	116½	114½	115	550
Sherwin Williams, com.	6	110	—	111	100	110	218
Shredded Wheat, com.	8	146	—	150	150	150	2
Spanish River Pulp, com.	7	96	94	95⅞	94½	95	415
Do., pref.	7	104	103	104	101¾	103½	1237
Steel of Canada, com.	7	77	76	76½	75¾	76¼	1439
Do., pref.	7	101	100	100½	100	100¼	188
St. Lawerence Flour, com.	6	—	76½	77	76½	76¾	40
St. Maurice Paper	5	95	—	96	90	96	455
Toronto Railway	—	86	84½	85¼	84¾	84¾	61
Tuckett Tobacco, com.	4	56	52	53½	53½	53½	25
Do., pref.	7	—	95½	95½	95	95½	245
Twin City, com.	—	67½	66	68	64½	68	2014
Wayagamack Pulp	—	58½	58	58	58	58	70
Western Canada Flour	8	115	110	108	108	108	5
Winnipeg Electric, com.	—	38¾	38	38½	38	38	273
Do., pref.	7	—	85	86	85	85¼	105
Woods Mfg., com.	8	77	—	77½	77½	77½	10
Do., pref.	7	83	—	83	83	83	15
Can. Woollen, com.	—	18	—	18	17	17	120
Do., pref.	—	65	—	60	60	60	20
Cuban Can. Sugar, com.	—	11¾	—	11¾	11¾	11¾	530
Do., pref.	—	45	43	43	42	43	170
Can. Permanent	12	190	189	190	190	190	56
Col. Investment	6	8¼	8	8	8	8	37
National Trust	12	—	204	207	207	207	5
Toronto Mortgage	10	82	81	81	81	81	12

EXCELLENT YEAR'S PROFITS MADE BY MATTHEWS S. S. CO.

Prediction of the President Are Borne Out

As a result of evidence given before the Royal Commission into freight rates, some misunderstanding has arisen as to the position of bond holders of the Matthews Steamship Company, Limited. The evidence was scrappy, not thoroughly revealing the position of the company either now or at the time the bond issue about which Mr. Symington was asking, was brought out, and consequently the strong position of the company financially did not appear.

In the prospectus which was issued some time in August, 1922, statements were printed from a letter addressed to the issuing house by Mr. A. E. Matthews, the president of the company, in which it was shown that the net earnings, after depreciation and taxes had been paid, had for the five years ending January 31st, 1922, amounted to five times the total interest charges on the bonds outstanding, including the new issue. Mr. Matthews then added: "Preliminary figures for the first half of the year indicate that the earnings for this year will be considerably in excess of the above proportion."

It was these statements which Mr. Symington enquired about from Mr. H. Clark, the secretary-treasurer of the compnay, when Mr. Clark had stated that as at September, 1922, the company was losing money.

One Profitable Season

The facts are that the company—in common with all steamship companies—loses money to a greater or less degree in the early months of every year. The Matthews Company financial year ends January 31st. In the succeeding three months everything is going out and nothing at all coming in. Therefore the losses are very considerable. For instance, this year improvements to boats has taken up already $47,000.

The second period in the year, from the opening of navigation until October, is also a period when money is frequently lost, though to a lesser degree than during the first period since revenue is being secured during this season. It is the final period of the year, however, from October to the end of navigation, that the money is made, which takes up losses of the early months and which leaves a margin of profit.

Mr. Clark, therefore, was dealing with the period, as he stated, up to September, in which money had been lost. It had so been lost practically every year. Yet, in the previous years profits from the grain carrying part of the season had been sufficient to give earnings, which, as Mr. Matthews stated, amounted to at least five times the interest on the outstanding bonds. The losses in the early part of 1922 were somewhat smaller than in similar periods in other years. It was this fact, coupled with the definite contracts for fall business which he had in hand which enabled Mr. Matthews to make the concluding statement in his outline to the effect that the figures for the first half of 1922 indicated that the earnings for this year would be better even than those of previous years.

Substantial Profits

It is important to note that the sworn profits of the company shown for the year closing January 31st, 1923—which have been submitted to the Royal Commission—bear out this forecast of Mr. Matthews. They show the net profit after all depreciation and other charges were approximately $290,000.

While this steamship company, along with others, has lost money to date this year—for the reason that no revenue is coming in and overhead and other expenses are, of course, going on—the indications for this season are highly promising. A heavy demand for space indicates that in the early months of navigation business will be unusually good. The demand is due, among other reasons, to the fact that American boats will not be competing for the grain business as was the case last year. Last year very little iron ore was being carried down the Great Lakes. As a result, the American boats entered the Canadian field to a greater extent than ever before. This year there is a huge volume of iron ore which has to be carried. It is a kind of business which Canadian boats cannot go after at all because it is a coastwise trade, carrying freight from one port to another in the same country. This means that American bottoms will be in great demand for this business, and that the grain will be left almost entirely to Canadian boats. Already this has had an influence on rates, contracts now being eagerly sought at higher prices than formerly.

Blue Sky Law for New Brunswick House

From Our Own Correspondent.

FREDERICTON, N. B. — New Brunswick's proposed new "Blue Sky" law has been introduced in the legislature by Attorney-General Byrne. The bill would place the control of the sale of securities with the Board of Public Utilities Commissioners, who would be empowered to issue certificates for sale of such unlisted stocks as were approved upon application, and it was suggested that terms of imprisonment might be added to fines for violations. This would be to prevent violations by those who might not be unwilling to pay with fines running as high as $500 to carry on sales of stock in companies which would not measure up to requirements of the board.

UNLISTED SECURITIES

	Bid	Asked
Alta. Pac. Grain 7% pfd.	90	92
Do., com.	105	112
Belding Paul, pfd.	87	90
Canada Mortgage	67	..
Can. Westinghouse, com.	128	..
Can. Machinery, pfd.	37½	43
Can. Marconi Wireless	2.25	2.75
Cockshutt Plow, 7% pfd.	41	43
Can. Oil Companies, pfd.	98¼	..
Do., com.	50	57
Commercial Finance, pfd.	72	77
Cosgrave Breweries	8	10
Continental Life	105	..
English Electric, com.	19	21
Do., pfd.	70	73
Dom. Power & Trans. pfd.	90	..
Do., com.	39	42
Dunlop Tire, 7% pfd.	84	..
Dom. Liners, pfd.	73	..
Eastern Theatres 7%, pfd.	68	..
Do., com.	6½	7½
Excelsior Life	31½	..
Farmers' Dairy	50	..
Fam. Play. 7% p. 50% com.	79	..
Gunns Ltd., 6% pfd.	34	38
Great West Life	214	..
Durant Motors	10¼	11
Dominion Mfg., pfd.	58	..
Imperial Oil	120	122
Inter. Milling Co., pfd.	96	..
King Ed. Con., pfd. 30%	97	101
K.&S. Tire 7% pfd. 25% c.	38	42
La Paz Oil	..	50
Lambton Golf Club	425	475
London Loan	46	51
Loew's Toronto, pfd.	61	64
Do. com.	39	43
Loew's London, pfd.	5¼	6
Do., com.	2	2½
Loew's Buffalo, pfd.	50	54
Do., com.	1,25	1.75
Massey-Harris Co.	48	52
Murray Kay Co., pfd.	..	42
Manufacturers' Life 20%	52	..
Mercantile Trust	98	..
Mortgage Discount Units	..	11
Mount Royal Hotel, com.	42	44
National Brick, pfd.	54	58
Do., com.	13	14
National Life $25 paid	50¼	..
Northern Can. Power	50	..
Ontario Equitable Life	..	30½
Peoples Loan	58	62
Pantages, Hamilton 7% pfd.	..	55
Do., com.	..	3
Robertson P. L. Co.	25	35
Rolph Clark Stone, com.	15	..
Simpson, Robt. 6% pfd.	91	92
Sterling Coal, com.	27	..
Sovereign Life	18	..
Sun Life Assurance	140	..
Toronto Brick Co., pfd.	73	..
Trusts & Guarantee	75	80
Tiger Tire Units (1 pfd. 2 com..)	20	30
Western Grocers, 7% pfd.	..	57
Whalen P. & P, Co., pfd.	..	21
Western Assurance	7½	..

$2,000,000

Drummond Investment Company
Limited

6½% First (Closed) Mortgage 15-Year Sinking Fund Gold Bonds

To be dated May 1, 1923, maturing May 1, 1938. Principal and semi-annual interest (May 1 and November 1) payable at Montreal, Toronto, Winnipeg and Vancouver. Coupon Bonds, $1,000 and $500 denominations, with privilege of registration as to principal. Redeemable as a whole or in part at the Company's option, on any interest date, on thirty days' notice, at 105 and accrued interest. Trustee: Montreal Trust Company.

THE COMPANY

Drummond Investment Company, Limited, will acquire the Drummond Apartment Buildings, Montreal, and also 36,540 square feet of land immediately adjoining, on which the Company will proceed at once to erect a modern apartment building, containing approximately 123 apartments, to be completed not later than April 1, 1924.

CAPITALIZATION

Common Shares	$1,700,000
7% Preferred Shares	300,000
6½% First Mortgage Bonds	2,000,000

SECURITY FOR BONDS

Bonds will be secured by first (closed) mortgage on land, buildings and equipment constituting the present Drummond Apartment Buildings and the new apartment building, and will be a first charge on net revenue derived from these properties. Entire property has an area of about 54,936 square feet, with about 218 feet frontage on Drummond and Stanley Streets and a depth of approximately 252 feet from Drummond to Stanley Streets.

Present Drummond Apartment Buildings contain 75 apartments, so that total rentable space of existing buildings and new building when completed will amount to 198 apartments.

Conservative commercial valuation of land, buildings and equipment is $4,000,000, equivalent to $2,000 for each $1,000 bond.

Insurance amounting to $2,300,000, in favour of Trustee for Bondholders, will be carried on the property. The buildings will also be insured as regards liability, loss of earning power, rentals, etc.

REVENUE

Net revenue of Drummond Apartment Buildings, three years, 1920 to 1922 inclusive, averaged $72,180, or 55% of interest on new bond issue. Net revenue for current year estimated at $92,000, equal to 70% of total bond interest on this issue.

Combined net revenue of Drummond Apartment Buildings and new building for first full year of operation estimated at $311,500, as against interest on this issue of $130,000.

SINKING FUND

Sinking Fund, $50,000 annually May 1, 1925 to May 1, 1927, inclusive, and $60,000 annually May 1, 1928 to May 1, 1937, inclusive, will provide for redemption of $714,000 of bonds of this issue by maturity.

GENERAL

Existing Drummond Apartment Buildings were completed in 1919, and were fully rented before completion. The new building will be of the same high type of construction and according to contract will be ready for occupation by April 1, 1924.

Location on Drummond and Stanley Streets is in the heart of the best residential section of Montreal, with the advantage of convenient situation with respect to railway stations, the best stores, hotels and clubs, theatres and churches.

Montreal, probably more than any other city in Canada, has suffered extremely during the past few years from lack of housing accommodation, especially of the better class of apartment buildings. The city's rapid expansion insures stability of this demand for housing at remunerative rentals.

Mr. P. R. DuTremblay, K.C., the owner of the present buildings, will control the new company. His experience in the construction and successful operation of apartment buildings will be utilized to the full in connection with the new apartments.

These bonds are offered for delivery when, as and if issued and received by us, subject to approval of our counsel of all proceedings, at—

99 and accrued interest, to yield over 6.60%

Royal Securities Corporation
Limited

R. A. Daly & Company **Greenshields & Company**
Hanson Bros. **McLeod, Young, Weir & Co.**
Limited

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Partnership and Corporation Insurance

A Great-West Life Insurance policy indemnifies a firm or corporation for the loss of capital influence, experience or skill, resulting from the death of a partner, officer or important employee.

Have you ever seriously considered how this plan of insurance would preserve your interests?

The Great-West Life Assurance Company

Dept. G. Head Office: Winnipeg

AN OUTLET FOR FUNDS

Treasurers of various organizations, executors, trustees and many private individuals have sums of money which can be safely, and profitably invested, even though their use may be required in the near future. Canada Permanent Bonds have a flexibility which specially suits them to the investment of such moneys. They are issued in sums of $100 and upwards for any term of not less than one or more than five years. Interest is payable half-yearly, and both interest and principal will be made to become due on any dates desired. For terms of 3, 4 or 5 years they bear five and one-half per cent. per annum, and for 1 to 2 years, five per cent. per annum. No expense is attached to investing in these Bonds or to collecting the interest and principal.

Is it good business to keep any funds unemployed when they can be so profitably invested in such an absolutely safe security?

Canada Permanent Mortgage Corporation

14-18 Toronto Street, Toronto.

Paid-up Capital and Reserves $14,334,155.90
Investments $41,365,608.36

5½% Interest Return

INVEST YOUR SAVINGS

in a 5½ DEBENTURE of The Great West Permanent Loan Company

SECURITY

Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00

HEAD OFFICE, WINNIPEG

Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

Dominion Textile Company

LIMITED

Manufacturers of

COTTON FABRIC

MONTREAL TORONTO WINNIPEG

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

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The resources of Canada and her capacity for foreign trade expansion are practically unlimited.

To exploit these fully it is necessary to have the best and latest information on world markets.

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SMELTERS EARNED 9 1-4 PER CENT. ON SHARES IN 1922

Better Conditions in British Columbia Mining Aided Company Greatly

POWER PROFITS DOWN

Subsidiary Company Had Not as Good a Year—Bonds Sold and Pledged

From Our Own Correspondent.

MONTREAL. — Consolidated Mining and Smelting earnings for 1922 figured out at 9¼ per cent. as against a little over 2½ per cent. in the previous year. There was a deficit after charges in 1920. As "Smelters" stock has a par value of $25, the earnings were $2.31 a share. These figures tell the story of the marked improvement in the mining industry in British Columbia during the past two years.

Sales of the company were the highest since 1918 and totalled $9,576,201 as against $7,516,865 in the previous year. Out of the gross profits some very substantial charges have been deducted. Depreciation is set at $405,145 as against $105,356. Depletion is charged at $320,750 though there was no corresponding item last year. Taxes were somewhat higher but the net profit amounted to $975,449 as against $270,722. As no divdiends were paid in either year the surplus has been increased by these sums and totals now $2,055,185 as compared with $1,079,736 at the end of last year.

The profit and loss account compares as follows:

	1922	1921	1920
Gross Earn.	$11,754,688	$10,561,834	$10,837,205
Less:—			
Prev. yrs. ore	2,779,434	3,336,463	2,987,297
Custom ore	1,194,389	385,998	1,747,402
Freight	645,808	634,873	517,029
Gen. exp.	4,381,424	5,270,372	4,971,003
Develop.	306,773	232,693	203,278
Deprec.	405,145	105,356	105,116
Depletion	320,750	....	....
Int. on loans	239,549	....	....
Directors	3,550	3,300	3,800
Writ. off	10,335	22,736	10,928
Taxes	252,881	67,724	99,618
Bal. before bond int.	$1,214,647	$402,318	$191,731
Bond int.	239,198	231,596	251,023
Net profit	$975,449	$270,722	$59,292*
Dividends	....	....	790,027
Srp. for yr.	$975,449	270,722	849,319*
Prev. bal.	1,079,736	809,014	1,658,833
P. & L. Bal.	$2,055,185	$1,079,736	$809,014

*Debit.

Million of Bonds Sold

It will be recalled that a year ago the shareholders authorized a new bond issue of $6,000,000. The distribution of these bonds has met with some success, according to the president, J. J. Warren. Almost $3,000,000 has been exchanged for a similar amount of bonds of the former $3,000,000 issue that does not mature until 1929. Another $1,000,000 has been taken up at par by the shareholders and the funds used for construction work on the new Sullivan mill. The remainder, $2,000,000, has been pledged to the banks for a loan of that amount and this loan will be gradually retired from the depletion and depreciation accounts. The sale of the bonds, the increase in profits and the loan upon the hypothecated balance of the bond issue have improved the corporation's working capital position. Treating the bank loan against the bond issue as a capital item, the working capital compares as follows:

	1922	1921	1920
Current assets	$3,815,113	$4,458,978	$5,275,769
Current liab....	2,530,143	6,704,034	7,250,543
Work. cap.	1,284,970	2,245,056*	1,974,774*

* Deficit.

Stock market opinion of the company seems to forecast even greater improvement in the company's affairs for present quotations are around 28, which is the equivalent of 112 a share per $100.

West Kootenay Power Report

Dividends received from the subsidiary corporation, the West Kootenay Power Company, were only half those received in the previous year. This company, a subsidiary of Smelters, did not have a very good year, its report shows. It suffered from conditions in the territory in Southern British Columbia that it serves and where the fruit ranchers found difficulty in marketing their products. Gross earnings and charges compare as follows:

	1922	1921	16 Mos. 1920
Gross	$746,441	$767,709	$794,101
Interest	25,680	23,298	27,288
Total	772,122	791,007	821,389
Expenses	194,267	205,430	235,411
Balance	577,855	585,577	585,978
Bond int.	103,500	103,500	138,000
Balance	474,355	482,077	447,978
Oth. int.	9,899	6,406	12,359
Balance	464,456	475,670	435,619
Deprec.	287,047	291,994	291,342
Balance	177,409	183,676	144,277
Written off	1,440	4,627	15,735
Sink. fund	35,843	33,843	41,962
Adjust.	....	6,185	35,013
Balance	140,126	139,021	51,567
Dividends	163,480	286,710	351,140
Deficit	23,355	147,689	299,573
Prev. bal.	32,027	179,717	479,290
Present bal.	8,762	32,027	179,717

Irrigation System Ready

The general manager of West Kootenay Power states:

"In my report for year ending December 31, 1921, I advised that the Provincial Government had arranged to finance the Grand Forks irrigation project. Work was started on the installation of the necessary pumping apparatus and the laying of laterals in the early spring of 1922, and it was early in August before the irrigation system was complete and tested out. The approximate acreage now under water in this valley is 2,600 acres, and the system is now in shape to supply water for irrigation purposes during the irrigation season of 1923.

"Work on Kelowna extension was started in May, 1922, and the line and necessary step-down station at Kelowna completed by the end of October, and service was commenced, and everything worked out to the entire satisfaction of the municipality."

FAMOUS PREMIER MINE RESERVES TWELVE MILLIONS

Official Statement Shows Total Lower Than Expected

From Our Own Correspondent.

VICTORIA. — Those who have placed credence in the reports in circulation a while ago that the ore reserves of the Premier Gold Mines in the Portland Canal district were worth upwards of $50,000,000 have been somewhat surprised by the official statement recently issued by the company, placing the value of the reserves at something less than $12,500,000.

The reserves, according to this statement, are as follows: Broken ore, 73,000 tons; gold ounces per ton, 0.72; silver ounces per ton, 32; total $2,639,000; probable ore, 300,000 tons; gold ounces per ton, 0.71; silver ounces per ton, 27; total value, $9,768,000; total tonnage, 373,000; total value, $12,407,000.

The Premier is not expected to return such high dividends in the future. During the past year the mine has paid $2,773,125 in dividends, or at the rate of 55 per cent. This is really a return on capital as well as dividends, because $1,339,488 is credited on that account, leaving the balance as a dividend of approximately 25 per cent.

Diamond drilling has been carried on satisfactorily and new bodies of ore have been revealed, although of lower grade than the ore formerly encountered and which went most of the way in building up the mine's earning power. The zone of secondary enrichment, which accounted for the high-grade ore, apparently does not extend much below the 300-foot level, and at the 400-foot level the ore has been found to assay at about the average value of gold-silver properties in this province—approximately $6.40 in gold and $3.20 in silver to the ton. The future of the mine is, therefore, believed to lie in development of the secondary ore, which is expected to extend to a depth and width considerably more extensive than has so far been prospected.

The reason for publishing the statement about the Premier Mine at this time is the fact that the distribution of shares has become much more extensive within recent months. Not so long ago there were less than a score of stockholders, but since then about 200,000 shares have been sold to the public. In addition to the Premier property and adjacent claims, the company owns 542,469 of the 1,500,000 shares comprising the stock issue of the B. C. Silver Mines, Ltd., in which the British-Canadian Selukwe Gold and Mining Finance Company, of London, has control.

OPPOSE SETTING UP SECOND POWER PLANT

St. John Business Men Would Avoid Duplication—Papers Are Raving

From Our Own Correspondent

ST. JOHN, N. B.—The dispute between the New Brunswick Power Company and the owners of the Daily Telegraph and Evening Times, newspapers of St. John, is raging with intensity. It is no uncommon occurrence to find all of the editorial space and several columns of the news space in each issue of these newspapers devoted to attacks on the New Brunswick Power Company. The owners of the two newspapers, George McAvity and J. E. Moore and others, also own the Inglewood Lumber Company, and the interesting feature is that the Inglewood Lumber Company own the land on which the hydro electric station at Musquash is constructed. It is said a fabulous price has been placed on the land by the Inglewood Lumber Company.

A number of manufacturers, brokers, commercial men and professional men of St. John, have taken matters into their own hands and called meetings to protest against the building of another distribution system by the city in competition with the system of the New Brunswick Power Company. These men, all heavy taxpayers of St. John, have contended it is foolhardy to plunge the taxpayers into enormous debt by the construction of a rival system. They point out that some settlement should be made with the New Brunswick Power Company whereby the system of the company would be purchased by the city, or failing this, the company should be allowed to distribute the electricity from Musquash on an equitable basis. The New Brunswick Power Company has secured an injunction against the building of the competitive system, and court hearings are being held.

STEEL CO. RAISES WAGES

Robert Hobson, president of Steel of Canada, Hamilton, Ont., confirmed the report that the company had increased wages from 11 to 13 per cent. This brings the scale up to that of 1921. 4,500 men are affected.

PLAYER'S NAVY CUT CIGARETTES

When selecting a Trust Company as an Executor choose one whose fixed policy is to give

FINANCIAL ASSISTANCE

to Estates being administered by it

PAID UP CAPITAL AND RESERVE - - $1,240,000

The Imperial Canadian Trust Co.

EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.

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WINNIPEG

Remarkable Earnings Shown By Unique Manitoba Company

From Our Own Correspondent.

WINNIPEG.—The prospectus of the Hearst Music Publishers Ltd., offering $34,200 of the company's ordinary stock reads like a fairy tale. Here is a company, which according to its president has from utmost obscurity risen to the position of an enterprise returning its original fifty shareholders 100 per cent. in the brief period of fifteen months and at a time of wide economic depression in fundamental business. The company also predicts a 50 per cent. increase in turnover in 1923. Furthermore, according to President Hearst, "at a special meeting of directors held March 26, a special stock dividend of 20 per cent. was declared and the cash dividend rate for the year 1923 struck at 30 per cent. At the price at which the remaining treasury stock is to be sold, $125, these two dividends will show a yield to the investor in 1923 of 24 per cent."

The future of Hearst Music Publishers Ltd., is dependent upon the ability of the company to cater to the public's popularity in music. Hearst Music Publishers Ltd., was organized in 1921, and commenced active business in December 1921. Production and wholesale distribution of popular songs through retail stores in Canada, the U.S. and elsewhere is the business carried on. "The distribution of a successful song is very widespread," says President Hearst. Over 800,000 copies of one song were sold. Thirty-seven songs were published in 1922, and this year to date 18 have been issued. One order now is an edition of 500,000 copies of one song.

Original shareholders numbered 50, of whom 49 are residents of Manitoba. The capitalization is $250,000 of which, up to March 26 $215,800 had been issued, leaving $34,200 for the present offering. The company has no other share capital securities, or no liabilities other than current trade accounts, which according to the balance sheet total $31,708. The head office of the company is in Winnipeg, but there are two branch offices, Toronto and New York. The officers and directors are as follows: president and general manager, Joseph X. Hearst; vice-president, Capt. John W. Wilton, ex-M.P.P.; secretary, Gordon A. Maclean, C.A.; John Anderson, Carl B. Fink and Andrew J. Lloyd, all of Winnipeg, and E. J. Evans, of New York city.

After seven months' operations a first dividend of 25 per cent. was paid on a paid-up capital which then stood at $56,900. Six months later the capital invested had gone up to $109,800 when another cash distribution of 25 per cent. calling for $27,450 was made, and an equal amount of surplus converted into capital by the issuance of a 25 per cent. stock dividend. Last week after setting aside $13,946 to provide for 1922 taxes the directors awarded a 20 per cent. stock dividend and carried forward $28,343 as undivided profits. President Hearst says that the actual cash put into the company by the shareholders up to March 15 amounted to $149,350, the balance of the capital now outstanding being dividend stock; while in the same period since its beginning business the net income had been $154,419. "In other words," he said, "our company has actually made in fifteen months over 100 per cent on the money put into it."

Will the new investor, paying $125 per share for the stock now being offered continue to profit as the original shareholders have profited?

National Brick Improves Position During Year

From Our Own Correspondent.

MONTREAL.—A brighter outlook for the coming year for National Brick is forecast by the president, C. C. Ballantyne, who states that an improvement is anticipated over 1922.

The year 1922 enabled the company to make some progress and operating profits were $220,126 as against an operating loss of $87,637 in 1921-1922. After all charges there was carried forward $152,473 to surplus as against a deficit charged up in the previous year of $120,698. The profit and loss deficit is thus reduced from $792,749 to $640,375. This deficit, it may be stated, is more apparent than real, for the full par value of common shares of the corporation is carried in the liabilities. Were the shares of no par value and carried at $5, the company would be showing a surplus of $1,300,000 or a surplus might be shown if there were an item for good will in the balance sheet.

	1922-23	1921-22
Earnings	$ 220,126	*$ 87,637
Income tax	17,653	
Balance	$ 202,473	†$ 87,637
Res. for renewals	50,000	
Balance	$ 152,473	†$ 87,637
Bond scrip. int.		33,067
Total	$ 152,473	† 120,698
Prev. debit bal.	792,849	672,150
P. & L. debit	$ 640,375	† 792,749

*—Operating loss for year.
†—Debit.

The working capital of the company at February 28 was $167,697, although a year ago there was shortage of working capital of $32,514.

Bell Telephone Offers Good Yield and Sound Prospects

To-Day Returns the Investor Around 6.67% and There Are Some Possibilities, Too, of Speculative Profits—Had Serious Time Following the War But Conditions Have Much Improved

From Our Own Correspondent.

MONTREAL.—The first annual report of the Bell Telephone Company of Canada dated December 31, 1880, was a very modest document. It showed that in its first year of operation the company had a revenue of $29,670 and expenditures of $18,617. This included the large sum of $29.48 for advertising. In 1881, which was the first complete year of operation, the company had receipts of over $100,000, had exchanges in forty cities and towns and agencies in forty others and had 3,100 subscribers. Compare these figures with those submitted with the annual report for 1922. The company had telephone revenues of over $20,000,000 and sundry net earnings of over $200,000 in 1922. It had 391 central offices and 434,243 subscribers' stations.

In discussing the future of Bell Telephone stock, it might be well at the outset to review the reasons why the security is now selling at $120 as against about $175 before the war. From 1912 to 1921 there was almost a continuous decline in the market price of Bell Telephone stocks. Now the swing seems to have started in the other direction.

Operating Expenses Went Up

One reason why the security declined is because the war brought about increases in operating expenses that seriously cut into earnings. This was most pronounced after the war ended when it became almost impossible to secure at reasonable prices and satisfactory terms the immense amount of raw material required by the company for the construction and operation of its plant and equipment. The percentage of operating expenses to operating revenue, which in 1913 was only 79 per cent. and in 1914, 80.5 per cent., grew to 86.3 per cent. in both 1918 and 1919 and in 1920 reached the high total of 98.6 per cent. Since then there has been gradual improvement, the 1921 ratio being 89 per cent. and the 1922 operating ratio being 81.4 per cent. This improvement in operating costs is being maintained and in itself gives assurance of the dividends being earned. Thus the first factor that led to the serious decline in the company's securities is no longer present.

To some extent the rapidity with which the company has been issuing new blocks of stock has had an influence in bringing about slower market quotations. It is difficult for the investing public to absorb large amounts of new stock so thoroughly that none of it comes upon the market to affect the price of outstanding shares. During the past year over $11,000,000 of stock has been offered to the public and taken up, bringing an average return to the company of well over par. The proceeds of these issues is being rapidly converted into revenue earning plant. It is difficult to get deliveries of sufficient materials to meet the demand of prospective subscribers and the company has continuously unfilled orders numbering many thousands. It may be that the percentage earned on the common shares on the stocks is not as high as it will be later when all the money raised by new issues has actually gone into plant that is in operation and earning profits, but such a situation should be temporary.

Twice as Many Shareholders

The policy of the company in getting as wide as possible a distribution for its securities will stabilize the market by making it impossible for large blocks of undigested stocks to come on the market at unreasonable times. The syndicate which placed $5,000,000 of stock last year was required to give it the widest possible distribution and the issue sold direct by the company later in the year was placed in such a way that a substantial number of new shareholders were obtained. The company is making a determined effort to get its own employees to purchase its stock and has made special arrangements to this end that have been very successful. The result of all these activities has been to increase the number of stockholders from 3,050 in 1919 to 3,339 in 1922.

The third reason for the decline in the market value of Bell Telephone stock has been the political element entering into the dividend return. The company is dependent upon orders of the Board of Railway Commissioners of Canada for the continuance of fair rates for its service. Its last two or three applications for increased rates were met with a most violent opposition from municipal authorities and demands were made that the plant of the company should be put under public ownership and operated by the state. Much of this opposition to the company was based upon entirely unsound doctrines and promulgated by irresponsible politicians and undoubtedly created an atmosphere that made a favorable reception of the company's case very difficult to obtain. The company has since pursued a policy in its advertising of taking the public into its confidence and this has been of material benefit in making the saner element in the communities see that the corporation is entitled to a fair interest return upon its invested capitalization. While the political factor can never be entirely dismissed, it may be said that now the Bell Telephone is in a position where the interest return is almost entirely removed from the possibility of adverse interference. The policy of the present Board of Railway Commissioners seems to be definitely fixed at allowing the company to earn its 8 per cent. dividend and a surplus in addition of 2 per cent. to build up its liquid position. This gives practical assurance of the continuance of the present dividend rate.

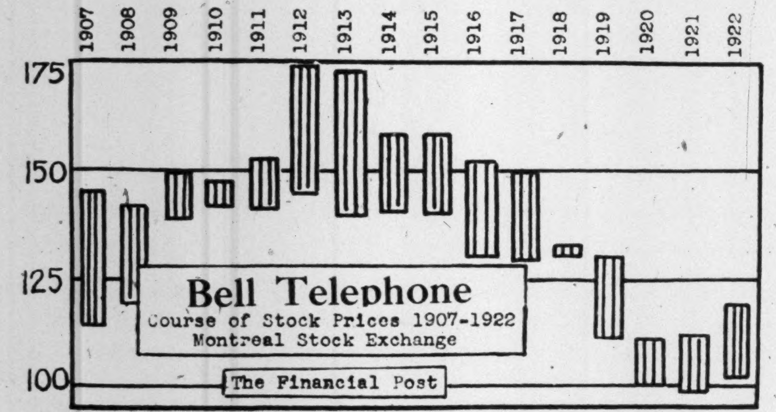
Effect of Interest Rates

There has been a fourth reason for the decline in Bell Telephone and that has been the world-wide increase in interest rates which has had the effect of lowering the market level of all investment securities. With the trend in the upward direction for investment securities, Bell Telephone stock in the course of years may be expected to follow the general movement.

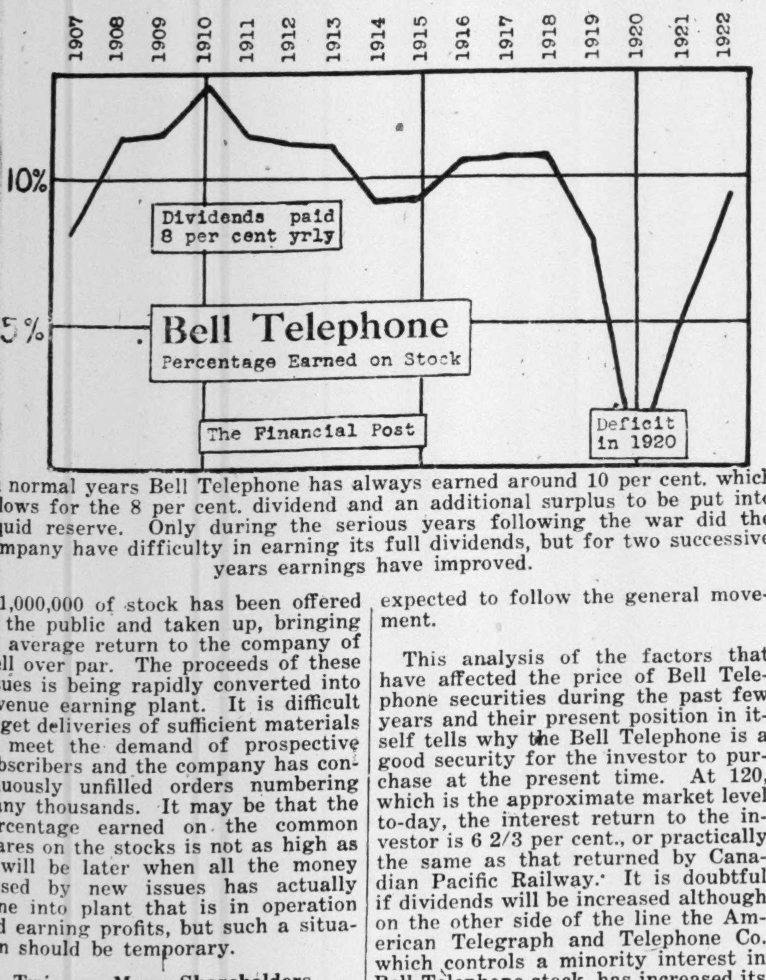
This analysis of the factors that have affected the price of Bell Telephone securities during the past few years and their present position in itself tells why the Bell Telephone is a good security for the investor to purchase at the present time. At 120, which is the approximate market level to-day, the interest return to the investor is 6 2/3 per cent., or practically the same as that returned by Canadian Pacific Railway. It is doubtful if dividends will be increased although on the other side of the line the American Telegraph and Telephone Co. which controls a minority interest in Bell Telephone stock, has increased its dividend until it is now 9 per cent. But the purchaser of Bell Telephone stock gets an adequate income return with an excellent degree of safety and he is not looking for great speculative possibilities although these are present to some degree in Bell Telephone.

At the end of last year the company had net tangible assets applicable to the common stock outstanding of $56,146,592 or over $175 per share. The earning power of this corporation is satisfactory. In the ten years ending December 31 last, the company earned a total of $16,026,807 applicable to dividends, or an average of $1,602,681 a year. As the average capital outstanding during that period was $20,088,963, the earnings averaged 7.98 per cent. per annum on its par value of stock. Dividends paid were 8 per cent. per year—in fact, they have been 8 per cent. a year ever since 1886. This indicates that dividends were not earned during the ten-year period. This is true, but is almost entirely explained by the very adverse results of the year 1920 where there was an actual loss of $39,000. This was due chiefly to inadequate rates, a situation that has now been arighted and in average years the company has always earned more than its dividend.

The Bell Telephone is one of the most rapidly growing corporations in Canada, but its growth is stable, for an installed telephone is a permanent revenue-producing asset and that is why the company can permanently capitalize the cost by the issue of stock rather than of bonds. As this growth requires new capital, it is likely that the company will issue to its shareholders from time to time new blocks of stock to which they may be allowed to subscribe at par or something under the prevailing market price. This was done last year and had the effect of reducing the market value of the stock because the action was somewhat unexpected and was resented by certain supporters. On the whole though, such rights and privileges in the future will have a substantial benefit for the shareholders in enabling them to increase their percentage of income return on their investments and must be considered as one of the attractive speculative features of Bell Telephone. The security must be looked upon as one of the most desirable on the Canadian list, conservative and safe, and likely during a period of falling interest rates to show considerable appreciation in market price.



Bell Telephone stock reached its high point in the late nineties when it touched 188, but this chart indicates a peak during the past fifteen years or so of 175 in 1912. Since then the security has almost steadily declined but the upward swing has set in, it would appear from the trend of the last two years shown on the chart.



In normal years Bell Telephone has always earned around 10 per cent. which allows for the 8 per cent. dividend and an additional surplus to be put into liquid reserve. Only during the serious years following the war did the company have difficulty in earning its full dividends, but for two successive years earnings have improved.

ASBESTOS AND SHAWINIGAN W. & P.

Hansons and Ferguson Point Out Good Features of These Two Listed Stocks

From Our Own Correspondent

MONTREAL.—A number of Canadian stocks are reviewed in the first quarterly review of financial conditions just issued by Hansons and Ferguson. Asbestos Preferred is favored in the review. At 90 it yields 7.75%, it is pointed out, and:

"As the preferred, which is really a 6% stock, shares equally with the common in all distributions after 5% has been paid on the latter, a bonus is quite within the range of possibility for the preferred shareholders and therefore the yield would be very great indeed. With building this year improving the market for this product should be good. As you are also probably aware the royalty by the province on the raw asbestos has been reduced from 5% to 2½%."

Of Shawinigan Water and Power it is recalled that the annual statement showed increased earnings for 1922 and "there appears no doubt to us that it can maintain its rate of 7% for many years to come." The review continues:

"It must be remembered that this company operates in the St. Maurice Valley, which is becoming a veritable beehive of industry, and these industries alone can handle practically the whole output of power from this company. In addition the company supplies power to many other points. Hydro power is undoubtedly one of the most economically produced commodities we have; in proof of this, Shawinigan earnings have increased from about $200,000 in 1914 to better than four and a half millions in 1920, while operating costs remain about 35% of their gross revenue. Interest requirements total about $1,155,000 leaving available for distribution nearly $1,800,000. Dividend requirements at the rate of 7%, are $1,400,000, so that this has been easily earned. Their liquid position is extraordinarily good, accounts payable amounting to $325,000, against accounts receivable of $1,680,000 together with cash and call loans of $700,000. Also they show amongst their assets over thirteen million of investments. The above facts lead us to believe that the shareholders of Shawinigan should look forward to many years of prosperity for their company."

SPEND 10 MILLION ON POWER PLANT

From Our Own Correspondent.

NEW YORK.—Over ten million dollars is to be spent on rehabilitating the plant of the New Bruswick Power Company by the American interests who have purchased control of the company's common stock. As soon as this rehabilitation has proceeded to a certain point active steps will be taken to increase not only the company's gas business but its power business as well. The American purchasers of the company's common stock are said to believe that the possibilities of the district served by the company have been merely touched.

If information obtained here is to be regarded as trustworthy the Federal Light and Traction Company the new owners of the St. John power organization, are not at all troubled by the reports that have been coming out of Fredericton that the provincial government contemplates following the lead of Ontario and entering the hydro electro industry. Their belief is said to be that the province would not have access to any water power which could be developed to any extent without interfering with plants which are already indispensable. The proposal to develop Grand Falls, the water power upon which the International Paper Company held an option for a number of years, is not taken at all seriously.

INFLUX OF PEOPLE WILL ASSIST WEST SOLVE PROBLEMS

Edmonton Board of Trade Wants Ottawa to Encourage Immigration

From Our Own Correspondent.

EDMONTON.—The Board of Trade here has framed up an immigration campaign in which it is seeking the co-operation of other Western boards, with a view to combating the blue ruin talk that has been considerably in evidence for some time past on the question of bringing more people into the country. A strong resolution has been passed and forwarded to the Minister of the Interior, and copies of it have been sent to nine other boards of trade in the four provinces for endorsation. The policy adopted by the Edmonton board is admittedly intended to refute the objections expressed in the House of Commons to opening the door for immigrants and asks for immediate action by the Government. Desirable immigrants from Europe should be brought in, it is claimed, but without financial assistance from the Government, though every effort should be made to place before prospective settlers full and accurate information as to conditions existing in Canada. Arbitrary admission or rejection of occupational groups is disapproved.

As to prospects and opportunities in the West, the Board of Trade expresses unbounded faith in the country and believes that "even under prevailing conditions Western Canada will yield a subsistence to every immigrant and a comfortable living to many immigrants, providing such immigrants are prepared to work industriously, save their earnings, and make a determined effort to prosper. This Board of Trade believes that the acute problems of the West with regard to markets, freight rates, and high taxes, etc., cannot be ameliorated by excluding immigrants and will not be solved until we get an influx of people."

La Rose Shareholders Re-Elect Old Board

From Our Own Correspondent.

MONTREAL.—A very peaceable and pleasant time was had by all at the annual meeting of La Rose Mines Ltd. The former directorate had sufficient proxies to continue their control of the company and the opposition that had shown itself before the meeting in the shape of circulars to shareholders from a Toronto group, did not develop at the meeting at all.

The established order of things will continue. The retiring board of directors consisting of the following gentlemen was re-elected:

D. Lorne McGibbon, G. C. Bateman, W. M. Dobell, David Fasken, K.C.; Edwin Hanson, Geo. Parent, K.C., M.P.; S. J. LeHuray, Sir Thomas Tait, and C. M. Makepiece, of Providence, R.I.

SUN LIFE ASSUMES $35,000,000 OF RISKS

Canadian Company Buys Out British Business of Mutual Life of New York

From Our Own Correspondent.

MONTREAL.—The Sun Life, which has more insurance in force outside of Canada than within Canada, has continued its programme of expansion abroad by absorbing the British business of the Mutual Life of New York. Final ararngements are bein negotiated that involve the acquisition by the Sun of $35,000,000 of business formerly held in Great Britain by the Mutual of New York, which a short time ago discontinued writing in that territory.

All contracts outstanding will be transferred to the Sun Life where the owners concur and the funds accumulated as reserves will be placed in trust and invested in British government and other securities.

At December 31, 1922, the Sun Life had in force outside of Canada $320,750,000 of ordinary life insurance; $385,000 of thrift insurance and $2,100,000 of group insurance. This was a total of about $323,000,000 as compared with domestic business of about $308,000,000.

GOODWIN'S SURPLUS INCREASED BY $3,000

Year Evidently Not Any More Satisfactory Than the Previous One

From Our Own Correspondent.

MONTREAL.—The annual report of Goodwin's Limited, consists merely of a balance sheet. The directors have omitted both the income account and the usual comments of the president. It is difficult therefore to get an idea of the company's profits during the fiscal year ended January 31, 1923, except by noticing that the surplus is increased by $3,481, although in the previous year it was reduced by $70,960. But in the previous years sums totalling $105,000 were reserved or paid out in taxes and against accounts receivable. It would appear that from the standpoint of actual results the year was not as good as the previous one.

Working capital shows some reduction, the comparative figures being:

	1923	1922
Current Assets—		
Inventories	$1,381,565	$1,259,352
Accounts Rec.	509,140	475,475
Cash	35,217	24,853
Prepaid	43,395	33,478
Total	$1,969,319	$1,793,158
Current Liabilities—		
Bills Payable	$ 405,000	$ 275,000
Accounts Payable	593,335	543,770
	$ 998,335	$ 974,388
Bal. Work. Cap.	$ 970,983	$ 974,388

There is an increase in the total assets, buildings increasing from $1,150,612 to $1,197,612. Bonds outstanding are reduced by $50,000 to $800,000, but mortgages have increased from $75,000 to $100,500.

THE PRUDENTIAL IN 1922

The Company is owned by the Policy holders, to whom this report is made.

STABILITY—SERVICE—PROGRESS

The Company's 1922 expense rate was the lowest in its history.
The Policyholders' 1923 dividends are the largest yet declared.

Assets **$906,397,224**
Behind your policy, whether it be for $100 or $100,000, stands this tremendous sum of never-idle millions—a guaranty as safe as the government itself.

Real Estate Mortgages—Over 49,000, amounting to **$325,000,000**
(Average per loan about $6,500.)

During 1922 the following loans were made:

On farms **$33,100,000**
Crops were planted, farms bought or improved and thousands of homes made happier because of these loans.

On dwellings and apartments **48,700,000**
These loans aided in relieving the housing shortage by providing homes for 16,671 families.

On other city properties **17,800,000**

Total **$99,600,000**

U.S. Government Bonds **$104,000,000**
The Company also owns $15,000,000 in Canadian government bonds.

Railroad, Public Utility and other Securities **$340,000,000**
An investment in transportation development and in community service—such as telephones, telegraphs, electric light and power systems, schools, parks, good roads, etc.

Liabilities **$870,596,351**
These consist chiefly in reserves and other obligations to policyholders.

Surplus— For the further protection of policyholders **$35,800,873**

Paid Policyholders in 1922 .... **$ 87,000,000**

Paid-for Business in 1922 .... **$1,311,000,000**
The largest in the history of the Company.

Total Insurance in Force **$6,314,000,000**

Increase over 1921 .... **$ 646,000,000**

Taxes— Prudential Policyholders have paid from their premiums during 1922 federal, state and municipal taxes and fees amounting to **$5,220,000**

More detailed information concerning the Company may be obtained upon application to the Home Office, Newark, New Jersey.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Wanted to buy

Spanish River
First 6's, 1931

Ontario Pulp
First 6's, 1931

Lake Superior Paper
First 6's, 1941

With bonus privilege attached at 104

TRUAX & COMPANY
Investment Bankers
17 St. John Street,
MONTREAL
MAIN 3618

ACME COAL & COKE CO.
Limited
C.P.R. Building
Adelaide 5562 Toronto

Engineer wants position with contracting or financial firm, 10 years' experience on concrete pipe line, drainage, railway, sewers, water mains, municipal work.
BOX 75, FINANCIAL POST

Building Sites
On and near Yonge St., with large trees and fine views, one minute's walk from the City Car Line. Restricted.
$30 per foot up.
H. R. DOUGLAS
Adel. 5070 and Bell. 69M.
Mail Building.

G. A. STIMSON & CO.
EST'D 1888 LIMITED
GOVERNMENT, MUNICIPAL, AND RAILWAY BONDS
36-38 KING ST. E. TORONTO

N. Y. PREMIUM HIGHER

Closes the Week at Two Per Cent. Premium—Sterling Steady

The Canadian dollar is now at a two per cent. discount at New York. For most of the week it remained steady but weakened at the close. Sterling has held strong while the trend of Francs has been irregular.

NEW YORK FUNDS

April 5—Funds opened at 1 27-32% premium, touched a low of 1 25-32, and closed at 1 13-16.

April 6—Opened unchanged at 1 13-16, advanced to 1⅞, closing at 1 27-32.

April 7—Funds opened at 1⅞, and closed at 1 13-16.

April 9—Opening at 1 27-32 funds moved to 1 13-16 at the close.

April 10—Funds opened unchanged at 1 13-16, and sold at 2 at the close.

April 11—Funds sold unchanged at 2 per cent. premium.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Apr. 5	4.66⅝	6.53	4.97½
Apr. 6	4.66⅝	6.61	4.97
Apr. 7	4.66⅝	6.63	4.96½
Apr. 9	4.65½	6.75	4.96½
Apr. 10	4.65⅝	6.59½	4.96½
Apr. 11	4.66⅛	6.62½	4.97

CAPITALIZATION CUT

From Our Own Correspondent.

MONTREAL.—At a purely formal meeting, shareholders of British Empire Steel Corporation this week agreed to the reduction in the authorized capitalization of the company from $500,000,000 to $250,000,000.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	Apr. 5, 1923	Change	%
Montreal	$ 83,988,034—	$25,168,138	23.0
Toronto	75,419,528—	15,261,911	16.8
Ottawa	5,846,725—	2,020,498	25.6
Hamilton	4,779,131—	1,042,902	17.9
Quebec	4,579,062—	697,923	13.2
St. John	2,562,738—	57,374	2.2
London	2,453,449—	607,291	19.8
Halifax	2,259,822—	1,073,089	32.2
Windsor	2,003,936—	304,715	13.2
Brantford	1,283,176—	65,154	4.8
Sherbrooke	989,886+	92,461	10.3
Kitchener	938,090—	181,896	16.2
Moncton	890,488—	208,925	19.1
Peterboro'	699,427—	49,537	6.6
Kingston	546,535—	141,780	20.6
Total East	$189,240,027—	$46,881,133	19.8

WESTERN CITIES

	Apr. 5, 1923	Change	%
Winnipeg	$ 34,698,760—	$ 939,729	2.6
Vancouver	12,306,366—	1,327,729	9.7
Calgary	4,311,319—	917,622	17.5
Edmonton	3,885,395—	706,350	15.3
Regina	2,798,463—	478,166	14.4
Victoria	1,685,103—	379,090	18.3
Saskatoon	1,284,181—	361,829	21.9
Moose Jaw	1,025,199—	49,458	8.0
Fort William	751,510+	17,681	2.3
Lethbridge	579,250—	85,169	12.8
N. Westminster	509,407—	8,267	1.6
Brandon	494,093—	26,344	5.1
Prince Albert	348,181—	21,859	5.9
Medicine Hat	324,494+	35,010	11.7
Total West	$ 65,001,721—	$ 5,301,612	7.5
Grand total	$254,241,748—	$52,182,745	17.0
Year to date	$3,905,995,800—	$236,342,129	5.7

MONEY, BANKING AND EXCHANGE

FLOOD OF MONEY NOT A SOLUTION OF THE PROBLEM

Printing Presses Would Not Create More Credit

Following is one of a series of articles on "Banks and Banking," which appeared in the Manitoba Free Press. It treats with the fallacious idea that the depression is due to a shortage of money which could be overcome by some sort of financial magic and shows that making more money or lowering the currency standards would not affect the real problem which is one of credit.—J.W.T.

It is reasonable to presume that those who desire to deprive the banks of the power of issuing notes, and who would confine this function exclusively to the government, are actuated by a belief that if the issue is made by the government, money will become more abundant and easier to get. It can hardly be that these persons have in view making the currency more stable and secure, because bank notes are now as safe as Dominion notes emitted by the finance department; so we conclude that a hazy conception of more money going into circulation when government monopolizes the currency prompts the agitation for a National Bank issue. Let us consider this question with the aid of a student of currency, Mr. W. L. Trenholm, of New York. The fundamental fallacy of the notion that the government should make money plentiful lurks probably in a confusion of ideas about the effect of an abundant supply of money. The dearness or cheapness of money must depend primarily upon the relation between the supply of loanable funds and the demand for the use of such funds. The term loanable funds is by no means restricted to actual money. Nearly all loans are made by credits entered on the books of a bank, or by checks, or drafts, or acceptances, and these pass into the general clearings of the community, of which only the resulting balances are settled in money; hence the mere plentifulness of money is only remotely connected with the supply of loanable funds. The state of trade, the prosperity of the community, the degree of confidence in the immediate future, and the general state of credit, immediately and directly influence both lending and borrowing. Whatever tends to depress these, tends to increase the price of money by decreasing the supply of loans and increasing the demand for them; and whatever tends to increase trade and promote prosperity, whatever augments general confidence and strengthens credit, tends to make money cheaper by encouraging lenders, and rendering borrowers less eager.

Unnecessary, unwise, or ill-considered augmentation in the volume of the currency tends to produce the conditions that inevitably make money scarce and raise the rate of interest by:

(1) Unsettling values and disturbing trade adjustments, which disturbance in turn impairs confidence and abridges credit.

(2) A government that assumes to itself the function of continually increasing the volume of currency never reaches a point at which it can stop, because each augmentation tends to make money dearer, and since the object is to make money cheaper there will always be a clamor to increase the scale of annual augmentations.

There is plenty of money, so-called, in Russia, money issued by the government in ignorant belief that trade activity can be mainained and people made rich and happy by such proceeding. And what has been the result? The Russian ruble is not worth the paper it is printed on, and in order to make possible the easy carriage of money in Russia the government has printed notes of the nominal value of 1,000,000 rubles. The currency of that country is literally valueless, as much so as the currency of a confederate state of the United States. So with Germany, where 9,000 marks have been required to buy a Canadian dollar. There are present day instances of the folly and wickedness of irredeemable currencies issued by government; and if it be said that the purpose is to have the notes issued by the Canadian government made convertible into gold, then it is certain that the volume of the currency will not expand one dollar over its present dimensions. For the condition of trade and credit regulates the volume of a convertible currency, not the edict of a finance minister, nor the clamor of borrowers.

Has C. P. R. Provided For Bond Redemption?

From Our Own Correspondent.

NEW YORK.—The report that the Canadian Pacific Railway plans to pay off on the first of July $52,000,000 of its six-per-cent. note certificates maturing March, 1924, has been receiving some attention in exchange circles. While there is some speculation as to the possible effect of this large payment on the Canadian exchange market, it appears to be more or less generally believed that a large part of that portion of the payment which will have to be made in the United States has already been provided for. Bankers believed to represent the railway are now said to have been accumulating funds in New York for months back in large amounts and it is believed by those in a position to know that the paying off of the certificates held in the United States will affect the market for Canadian exchange very little.

Local Canadian bankers take the announcement of the intention of the railway to pay off these certificates as explaining the strength of the Canadian dollar in New York during recent months. It has been found difficult to explain the strength of the Canadian dollar in New York at times, but the C. P. R. plans clear the air.

Bank a Buyer and Seller of Credit as a Grocer of Butter and Eggs

Must Make a Profit Sufficient to Pay Overhead or Go Out of Business—Interesting Data on Transactions

By A. B. BARKER,
Manager, Toronto Clearing House.

In the many well meant suggestions for the reformation of the banks it seems to be overlooked that a bank, like any other business, is organized to make a profit. Without profit there would be no incentive to carry on business; no one expects a grocer to sell groceries and not make a profit on the transaction. A bank is simply a dealer in credit and exchange in the same way a grocer deals in eggs and butter. These he buys at wholesale and sells at retail, and the difference between the two prices is his reason for selling groceries. Unless this difference is sufficient to enabl him to pay rent, taxes, wages a other business expenses, allow for bad debts, and accumulate a reserve he will not make progress, and the public will gradually take their trade to another man who is making progress.

The grocer is entitled to his profit for the service he gives the public in buying groceries in large quantities and selling them to the public, in the quantities they want to buy, and at the time and place they want them. With the bank, in regard to credit and exchange, the same thing obtains. There is, however, this difference, that the grocer buys from the few and sells to the many, and the bank buys from the many and sells to the few. This makes a considerable difference in the matter of payment. A grocer may without loss of credit ask his wholesaler to renew a note, if some of his customers, as occasionally happens, are slow in meeting their accounts, but with the bank this is impossible, it must meet its obligations in full on demand or close its doors.

Buying of Credit

A bank buys credit when it takes in deposits and sells it when it makes a loan or discounts a note. The terms on which it sells credit must conform to the terms on which it buys, just as must any other dealer. A bank's deposits are payable on demand, and, while theoretically the bank may require notice of withdrawal, it is extremely doubtful if such a right could be enforced in practice. If all depositors demand their money at one time, no bank could possibly continue in business, but it has been found by experience that under ordinary circumstances only a certain percentage of deposits will be withdrawn from day to day, and that by holding in cash a sum sufficient to meet such withdrawal, and of course a margin for safety, together with a sum invested in such a form that it can be promptly realized on in case of need, the balance of the funds may be freely used in making loans and discounting notes. Under the circumstances, however, it is essential that the funds so loaned shall not be used to finance transactions likely to be a long time in completion. Their proper use is to supplement the working capital of the borrower, to be repaid at the end of the borrower's business season. Another reason for this is that, as a bank's loanable funds are strictly limited to its deposits, it must have its advances repaid as agreed in order that it may have the funds to accommodate the different classes of mercantile borrowers in their turn. If for any reason one class does not repay as agreed, the next in turn must go short. The bank must press for payment not because it wants to squeeze any class of borrower in particular, but because this is the only way it can get the funds. A bank is organized to serve the whole community and its prosperity depends on the prosperity of all. It is admitted that a bank must charge interest when it lends its funds. This is realized by the public because all expect, or hope some time, to be in a position to make loans and receive interest thereon, and if it is right for them it must necessarily be right for a bank. With regard to commission on cheques on outside points, however, many draw the line; they cannot see why such a charge should be made, and it is suggested that the charge be forbidden in the revised act. The banks themselves are largely responsible for this attitude, as in their struggles for business they have gradually extended what are called par privileges in order to attract accounts from competitors. This cutting started easily enough, as years ago branch banks were few in number, and those banks with a wider-spread system than others began to reduce rates to their own customers on their branches, while maintaining stiff rates to other banks not represented at these points. The gradual result has been a steady reduction in such commissions, and now an agitation for their removal.

One reason given is the practice in the United States where the Federal Reserve Banks clear issues for their members at par. This sounds well but, as the members cannot include these funds in their cash reserves until the Federal Reserve Bank has had time to actually realize on them, it works out about the same as it does here. An American bank may not charge exchange on domestic cheques, but the funds are not available to the depositor until they have been realized on. In Canada the depositor pays a small rate of exchange or commission and has the use of the funds at once. The transaction in short is that the bank buys a credit which is not actually realizable for one, two or more days. It buys this credit to sell, and as a dealer it buys at wholesale and sells at retail. It performs a service for the slight profit it makes on the transaction, and according to the measure of the service is entitled to charge for it. In regard to charges for remittances, it is well known that the rates charged by express companies for money orders are actually higher than bank charges for sums over a certain amount. These companies have an enormous volume of this business yet no one thinks of attacking their charges. While the revision is under discussion we will no doubt hear much of the lower rates on loans and outside cheques charged by American banks, and it may be well to note some of the differences between the two systems which offset these apparent advantages. A few years ago a number of Canadian firms, attracted by the lower rates in force in some American cities, applied to banks there for accommodation at these rates. The American banks were agreeable, but when the Canadians read over the terms they went no further. First and foremost it was stipulated that a certain free balance must be maintained to cover the cost of operating the account. This was also to offset the loss of interest by the bank on cheques in transit, i.e., cheques deposited by the customer which the bank would not realize on until the next day or two. Then, while the rate of discount on loans was to be 5 per cent., the borrower was to maintain a free balance of 20 per cent. of the loan during its currency. This worked out at about 6¼ per cent. in the net amount loaned.

It all comes down in the end to the same thing, that the borrower must pay the market price for the credit he obtains.

Bank Act Amendment re Auditors Criticized

From Our Own Correspondent.

WINNIPEG.—Manitoba Free Press and Regina Leader in concert, protest for western centres against the suggested Bank Act amendment limiting bank auditors to chartered accountants who have practised for six years in the city where the employing bank has its chief office.

"The desirability of limiting the field to thoroughly qualified accountants will not be questioned," says the Leader, "But we doubt if all the qualified accountants in Canada are located in any of its seven cities."

MONTREAL

Harry Fleury, of the Alliston branch of the Bank of Montreal, has been appointed manager of the Newmarket branch succeeding C. G. Ross.

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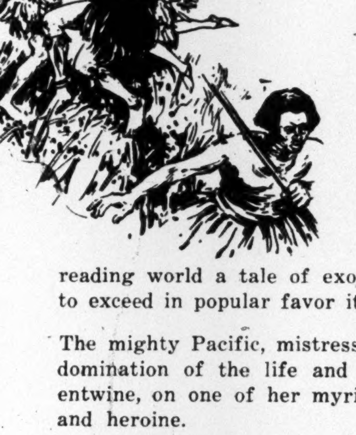

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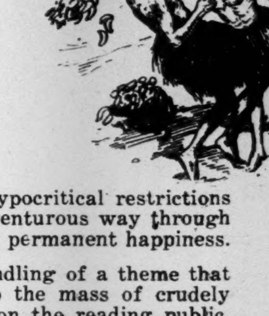
H. de Vere Stacpoole has no master in the delineation of the life and atmosphere of the sea-walled, natural Edens which dot the vast reaches of the far Southern Pacific. And in a setting of waving palms, crystal clear waters and coral-studded, surf-beaten reefs, in "The Garden of God" he has given the fiction-reading world a tale of exotically romantic adventure which promises to exceed in popular favor its famous predecessor, "The Blue Lagoon."



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The first installment begins April 15th.

Other Features of our April 15th Issue:

"The Instrument of Destiny"—H. W. Leggett.
"The Battle of Wits"—Kathlyn Rhodes.
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"Nannie's Divorce"—Phyllis Duganne.

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Review of Reviews

April 15th

MACLEAN'S
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NEWS AND VIEWS FOR MANAGERS

COURTS TO DECIDE IF BRANCH BANKS ARE LEGAL IN U.S.

Two Important Moves Made Leading to Possible Change

From Our Own Correspondent.

NEW YORK.—Two happenings within the week have again brought the branch banking question again to the fore. The first of these happenings in point of importance is the reference of the whole question to the Supreme Court by the First National Bank of St. Louis. The Supreme Court of Missouri decided on March the third that the bank had no right to establish branches in the city of St. Louis; the bank hopes to have this decision reversed by the United States Court. The second hoppening has been the appointment of H. G. Dawes, the Comptroller of the Currency to be. Mr. Dawes is a brother of Brigadier General Dawes, popularly known as "Hell and Maria." He won his title after he was appointed by the President to introduce the budgetary method of handling the national finances by using this expression to emphasize certain testimony he gave before a Congressional committee. General Dawes by his handling of the economy program laid down early in the Harding presidential career won a national reputation by the brusqueness with which he carried out his work. A soldierly type, rather than a politician, he, as the saying goes, "got things done." The question those interested in the branch bank question are asking themselves is this, "Is Comptroller Dawes going to tackle the branch bank question in the way his brother tackled national economy?" Personal friends say that the new comptroller has many of his brother's qualities and can be trusted to carry through his plans to success in spite of strong opposition. He is said to favor branch banks for national banks. If he is the man his friends and supporters say he is, the national banks will get the right to establish branches within the limits of the cities or towns where their headquarters are located.

Urged Early Hearing

The Supreme Court has been asked to give early consideration to the application of the First National of St. Louis for a review of the case which went against them in Missouri. The bank's attorneys based their application for an early hearing upon their belief that the case was of national importance and one in which all national banks chartered by Congress were directly interested. This plea apparently expresses the opinion of most of the local banking world as the development of the First National's case is being followed locally with the closest possible attention.

The bank's case is to be fought apparently on the perennial issue of "states rights." The First National claims that the State of Missouri cannot close the branches it has opened in the City of St. Louis because these branches are authorized by the charter granted the bank under the National Bank Act. Any interference with the operation of these branches is, according to the National Bank, interference with powers granted the bank by Congress. While it acknowledges that the State has the right to regulate the bank's relations with its customers within the state. that it has no right to restrain or to limit the powers granted it by the Federal Government.

At the present time the position of the First National of St. Louis is this: The Supreme Court of Missouri has ruled that the branches it has opened within the limits of the city of St. Louis must be closed. The bank has applied to the Supreme Court of the United States asking that the state be restrained from closing these branch offices until the legal question involved has been settled. This restraining order had not yet been granted by the Federal Court.

Critics of the St. Louis bank apparently feel that it has weakened its case and the case of the branch bank generally by fighting the issue at all. They point out that the bank was never specificially authorized by ex-Comptroller Crissinger to open branches in St. Louis as this privilege was only granted to national banks in states that granted a similar right to state banks. The branches it opened were opened in spite of the fact that the State of Missouri does not grant state banks the right to open branches.

All States Watch

This much must, however. be said in behalf of the First National; Comptroller Crissinger formed his policy regarding branches while the controversy between the State and the First National was still before the courts of the state. It was thus impossible for the Comptroller to enforce the request he made to national banks in other states that national banks close branches opened in states where state banks had no branches. Presumably the First National under the circumstances felt it equally impossible to withdraw its suit.

But while naturally the progress of the First National's case is being closely followed in Missouri, it is receiving attention from bankers in several of the other states. Californian bankers for instance are following the branch bank controversy with the closest attention. California has a branch bank system modelled very closely after the Canadian system. The state banking law is different from that of the other American states in that it does not force a state bank to keep its branches within the limits of the town or city where the head office of the bank is situated. The state banks, led by t Bank of Italy, have branches in all parts of the state. The Californians are, therefore, wondering whether other states in the Union are to be given the right to develop a branch banking system similar to their own.

How Rigid Rules Apply to All Notices of Cheque Dishonor

Bills of Exchange Act Clearly Defines the Law But There Are Exceptions Which Are of Importance

Notice of dishonor, with special reference to cheques, was an interesting point dealt with by John D. Falconbridge, K.C., in his talk to the Bankers' Educational Association of Toronto. In dealing with this point attention was directed to section 96 of the Bills of Exchange Act. It reads as follows:

"96.—(1) Subject to the provisions of this Act, when a bill has been dishonoured by non-acceptance or by non-payment, notice of dishonour must be given to the drawer, and each endorser, and any drawer or endorser to whom such notice is not given is discharged—" and which ends as follows:

"(2) In order to render the acceptor of a bill liable it is not necessary that notice of dishonour should be given to him."

"We are not concerned with non-acceptance, because there is no such thing as the acceptance of a cheque, no such thing as the presentment of a cheque for acceptance, and, therefore, no such thing as the dishonor of a cheque by non-acceptance. A holder may present a cheque for one purpose only, namely, for payment The bank routine obliges him to go to the ledger keeper instead of going direct to the paying teller. If he has to go to the ledger keeper as a necessary preliminary to getting the cheque paid by the paying teller and he gets the answer "Not sufficient funds" or "No account," the cheque is simply dishonoured by non-payment, although in form the man presenting the cheque has asked to have it marked, but the refusal to mark a cheque is non-payment just as much as if the paying teller had said "We won't pay," or "We cannot pay because the cheque has been countermanded," or for any other reason, or for any reason, because the bank does not have to give any reason to the holder of a cheque for not paying.

Section 96 says, then, that any drawer or endorser who does not receive notice of dishonor is discharged—but this provision is expressed to be "subject to the provisions of this Act."

The last-mentioned words refer to those sections: 106, 107 and 108, which say that notice of dishonour is dispensed with in certain cases. Then section 96 says that the drawer and the endorser who do not get notice are discharged. Of course, as regards the endorser and drawer it is very clear, the matter is clear. That is to say it is clear that the endorser of a cheque is just as much entitled to notice as the endorser of an ordinary bill of exchange or the endorser of a promissory note. But as regards the drawer of a cheque, it is a little easy to jump to the conclusion that the drawer of a cheque is not entitled to notice of dishonour. This is so, partly because one is apt to think of the drawer of a cheque as the person primarily liable, somewhat in the same position as the acceptor of a bill or the maker of a note. As a matter of fact, there is, of course, little analogy between the position of the drawer of the cheque who merely gives an order upon someone else, and the acceptor or the maker, each of whom promises to pay, and there is no getting away from the provisions of section 96, that the drawer of a bill is entitled to notice, and, therefore, as a cheque is defined by section 165 as a certain kind of bill, the drawer of a cheque is entitled to notice. It happens frequently, however, that the drawer of a cheque is not entitled to notice under the particular circumstances, that is to say, the circumstances dispensing with notice of dishonour, which more frequently arise in the case of the drawer of a cheque than they do in the case of the other parties, the drawer of a bill, for instance. Still, don't forget, that section 96 lays down the inflexible rule, or broad rule at least, that the drawer of a bill of any kind is entitled under one of the other sections in which notice of dishonour is dispensed with. Now, there may be cases in which the drawer of a cheque is entitled to notice of dishonour. The most common reasons, I suppose, for non-payment of a cheque are lack of available funds or countermand of payment.

Now it happens that if either is the reason for the non-payment of the cheque the drawer is not entitled to notice of dishonour, because if you turn to section 107 you will find that notice of dishonour is dispensed with.

(1) If the drawee. . . is, as between himself and the drawer under no obligation to pay the bill.

Plainly if there are no available funds that clause would apply.

(2) If the drawer has countermanded payment, he cannot then require notice of dishonour.

But let us suppose that a customer has arranged for an overdraft, and his cheque is afterwards dishonoured, within the limits of the overdraft, let us say by oversight of the ledger keeper and the paying teller, or let us say, if such things can be supposed, by the oversight of the local manager who has forgotten to tell the ledger keeper and the paying teller of the arrangement he has made with the customer. Now, in that case, the cheque has been dishonoured. It is not a case of where the drawee is under no obligation to pay the bill, because the drawee is under obligation by virtue of arrangement, therefore, it is not a case in which notice of dishonour is dispensed with under section 107.

You will see the difficulty. If the holder wrongly assumes that the case is the ordinary one of "N.S.F." and gives no notice of dishonour, the drawer is discharged, although it may happen that the holder saves the situation by an angry telephone message to the drawer, for an oral notice of dishonour is sufficient, or by an angry letter asking what he means by giving a cheque which is not honoured. That would equally be perfectly good notice of dishonour. Still, he may not do either of those things and, under the circumstances, I have supposed the drawer would be discharged.

Then supposing the cheque is in the hands of a collecting bank. I suppose the bank, to be on the safe side, must always give notice of dishonour to the drawer, because it does not know whether there may or may not be an arrangement for an overdraft, unless it adopts the alternative course allowed by section 100, namely, of giving notice to its customer and allowing its customer to give any further notices that may be necessary.

Section 100 provides:

"(1) Where a bill when dishonoured is in the hands of an agent he may himself give notice to the parties liable on the bill, or he may give notice to his principal, in which case the principal upon receipt of the notice shall have the same time for giving notice as if the agent had been an independent holder."

This section presupposes that a cheque has been endorsed by the payee, or some subsequent holder, to an agent for collection, that is to say, in the ordinary case to a bank for collection.

If the cheque is dishonoured, the collecting bank may do either one of two things:

(1) It may itself give notice of dishonour to its customer as well as giving notice to the previous endorsers, if any, and to the drawer, or

(2) It may simply give notice to its customer, and let him give the necessary notices to the earlier parties.

The mere return of the cheque to the customer would in itself be sufficient notice of dishonour, under section 99.

Paget points out a reason why in Great Britain the collecting bank would frequently adopt the second alternative, that is, of simply giving notice to its own customer, namely, because the collecting bank does not know the addresses of the various parties to whom notice is to be given, whereas the customer either knows or is more likely to have means of knowing those addresses. In Canada this reason does not exist, because under section 103 of our Bills of Exchange Act the notice may be addressed to a party at the place at which the bill is dated, unless the party has under his signature indicated some other address. Of course, it is very often a useless address, the notice won't get there, but it is perfectly good under section 103. Therefore, you see, there is no reason in Canada why the collecting bank cannot perfectly well give the notice to that one in the first instance.

Another illustration of the application of section 100 is the case in which the collecting bank, having received a cheque for collection at one branch has sent it to another branch for presentment. If it is dishonoured, the presenting branch may give notice of dishonour to all the prior parties, or may give notice only to the branch from which it received the cheque, and in the latter event that branch will have a similar alternative. It may either itself give all the notices or pass the obligation on to its immediate predecessor, and again you will know what is the usual practice in that case.

Finally, Paget points out another difficulty. If the collecting bank simply notifies its customer or returns the cheque to is customer, will the customer know enough about the practice of banking and the law of bills of exchange to know that he or she should thereupon give notice to earlier parties? If he or she is in trade he or she may know, but I think, in the ordinary case, it is very doubtful whether the customer would realize that the notice from the bank was simply the first step in the proceeding, only intended to hold him and to put him in the position of giving notice to all the earlier parties.

BELIEVES LLOYD'S ARE NEGOTIATING

New York Places Some Credence in Report of Canadian Move

From Our Own Correspondent.

NEW YORK.—The report that Lloyd's Bank may buy an interest in one of the smaller Canadian banks published in THE FINANCIAL POST, under a Montreal date line, caused no surprise here. The story has been circulating in Canadian bank circles here for over two weeks but was emphatically denied by the local officials of the bank concerned. Despite this denial, however, well informed Canadian residents are inclined to believe that where this is smoke there is at least a little fire; the persistance with which the story regarding the possibility of a new affiliation between the Canadian bank and Lloyd's has again and again lifted its head had lead them to believe that negotiations of some kind pointing in this direction must be under way in London. Support has been found for this belief in the fact that at the present time two of this particular bank's leading officials are now in that city and that for some years back the relations between the two institutions have been particularly close.

The report that this same Canadian bank was to be involved in a merger with another Canadian bank, was never taken very seriously here in spite of the fact that the report obtained wide currency. It was generally felt by Canadian bank men, in a position to know, that the Minister of Finance could not afford to countenance another Canadian bank merger at this time, unless the position of either bank was so bad that a merger would have plainly been in the public interest. As the question of the interested banks' solvency was at no time even hinted, it was thought extremely unlikely that the Minister of Finance with the Bank Act under revision and the Progressives "all set" to unloose their batteries, would give his consent to a merger.

As has already been pointed out in THE FINANCIAL POST, the particular Canadian bank said to be most anxious to arrange the merger, has for some years been anxious to effect some arrangement which would strengthen its position in the East. The course of events since 1920 are believed to have increased rather than decreased this desire.

Commerce

A. J. Reynolds, manager of the Prince Albert branch of the Bank of Commerce has been elected president of the Associated Boards of Trade of Saskatchewan.

NO BUSINESS BOOM YET CONDITIONS MUCH HEALTHIER

(Continued from page 1)

us," and to it many Canadian workers are replying. In consequence, it seems certain building costs will be higher in Canada this summer than they were a year ago. There will be bidding for labor and high prices. Also, it seems, factory workers' pay will tend to go on higher levels. The movement starts with the Steel Company of Canada, where an upward movement for both skilled and unskilled labor has been announced. The Dominion Textile Company, too, is on the point of advancing wages about 12½ per cent. Other textile companies are expected to follow this lead.

From the coal section of British Columbia comes word that an agreement for the coming season has been reached between operators and miners calling for the prices which obtained this year.

In spite of high prices, building seems certain to be brisk this summer. Reports from all the larger eastern cities are to this effect. Also it seems there is to be a good volume of building on the farm. This building activity of course brings with it other activities. Already is evidenced a keen demand for the kind of hardware used in medium-priced houses.

As said, manufacturing activities are spotty. The Steel Company of Canada is working very nearly at capacity, and is not booking orders ahead fearing the possibility of higher production costs.

Steel coming to Canada from U. S. mills is three times what it was at this period a year ago. And it costs on an average $20 a ton more than in 1922. This steel is for structural use, for railway cars and motor cars, largely. The great bulk is said to be going to points in Ontario and Quebec.

While the U. S. is shipping certain grades of steel here, Canadian manufacturers are selling to Americans. A certain manufacturer received orders from Detroit. He had sold some goods there on a close margin. He now thought he would see how badly the goods were wanted and fixed a good stiff price, added 5% to it for luck. Reply to ship came by wire. This selling to the U. S. and to England too is not confined to one or two lines. It is becoming fairly general.

The Algoma Steel Co. at Sault Ste. Marie has sufficient orders on hand to keep it running until July.

The Pilkington Glass Co. at Thorold is resuming operations with 250 employees.

These are some of the healthy signs.

Can Farmers Buy?

A disquieting consideration is one as to the farmer's buying power. Will he be able to pay the high prices for agricultural implements which must be asked if these are to keep in line with material costs?

While the automobile industry is certainly one of the most active in the Dominion, the business of the early months has been disappointing. Bad weather has blocked sale in country and city. But all are still confident that 1923 will be a big automobile year. In some lines it will be a big year for export as well as for domestic consumption.

Temporarily the weather has been holding back business. In spite of it, leaders like pulp and paper, lumbering, textiles and automobiles have shown great activity. Now, with better weather certain, will there come a general boom like that across the line? Perhaps not. Perhaps a boom is not what we want. The need of personal and official economy has gained some recognition and a too great revival might destroy this and bring inflation as another evil. Yet there are many signs which point to good conditions. The possibility, indeed the probability, of a labor shortage is the great disturbing factor. Any relief from immigration will hardly be great this year.

Investment Guide—April

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Mining Stock Quotations

Week Ending April 10

	High	Low	Close	Sales
Algonquin	8	8	8	2000
Apex	4⅝	3⅞	4	32500
Atlas	11	10	10	68150
Baldwin	12	10¼	10½	138500
Beaver	51½	48	48	62000
Chamber-Ferlands	4	—	—	1000
Coniagas	3.15	3.00	3.00	2200
Cons. Smelters	29½	28⅜	29	925
Crown Reserve	63½	60	62¼	66500
Davidson Exrights	6	5¾	5¾	36500
Dom. Kirkland	3¾	3½	3½	11000
Clifton	27	24	24	59500
Dome Mines	44.00	43.10	44.00	1455
Chaput Hughes	13	12	12	12000
Gifford	1	⅞	1	22000
Gold Reef	4¼	3⅜	3½	63500
Goldale	50	49	49½	14500
Hattie	35¾	34½	35¼	68000
Hillcrest. pref.	90	89⅞	89⅞	30
Hollinger	13.50	13.35	13.35	7400
Hunton	12	11½	11½	38000
Inspiration	10	8	8	3000
Keora	16	13½	14	44500
Kerr Lake	3.25	3.00	3.00	300
Kirkland Lake	61	59	59	20500
La Rose	30	26	27	8500
Lake Shore	3.42	3.36	3.40	2800
McKinley Darragh	25	20	20	62500
McIntyre	20.00	19.25	19.45	5662
Mining Corp.	3.48	3.07	3.10	2800
Moneta	23	21¼	21½	80500
Newray	37½	35½	37	61500
Nipissing	6.10	6.00	6.10	2065
Ophir	3¾	2½	3¼	55500
Peterson Lake	13	12¼	12¾	30500
Porcupine Crown	19	14½	14½	28500
Porcupine Tisdale	3½	3	3½	4000
Preston E. Dome	16⅜	15⅜	15½	142500
Schumacher	29½	—	—	1000
Silver Leaf	3	1¾	3	41500
Teck Hughes	1.17	1.12	1.16	68500
Timiskaming	45½	41¼	42	67500
Thompson Krist	7	5¼	5½	58500
Trethewey	5	4	4	5500
Wakenda	10¼	8½	8⅞	23500
Wasapika	8⅛	7½	7½	32000
West Tree	12¼	10¼	10½	54500
Argonaut	68½	65	66½	41900
Buckingham	24¾	18½	24	64500
Castle Trethewey	28½	27	27½	26000
Cons. West Dome	27¾	26½	27	115000
Lorrian	41½	40	40½	240000
Wettlaufer	29	15	15	15700
Wright-Hargreaves	3.58	3.50	3.58	2100
Vipond Cons.	69½	61	65½	70000
Petrol	12	—	—	1500
Churchill	13½	12	12	4500
Col. Kirkland	17½	16¼	17¼	113500
Vickers	27	25	27	40500

WINNIPEG ELECTRIC TAXES

The dispute between the City of Winnipeg and the Winnipeg Electric Railway Company over the amount due the city on account of taxes and paving has been partially settled by the payment by the company of $295,102 for taxes and $315,462 in respect of paving. The total claimed by the city is $942,000, the settlement for the balance being still in abeyance.

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Address ....
Born ....day of..........18..

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, APRIL 13, 1923

WHO DIRECTS LORD ROBERT CECIL?

CANADA has had a visit from another European propagandist—Lord Robert Cecil with his League of Nations. We have no doubt that Lord Robert is sincere and conscientious, but once more the question arises: Under whose inspiration and under what interests was his itinerary made and his expenses paid? It is worth noting that the group which cheers him most and plays him up on the platform and in the press in England is the same group that helped to finance the Soviet agitators.

A League of Nations is good in theory but when it is proposed to tie Canada to schemes of European promoters—for it is they who evolved the League in its preent form and are backing it to-day—it is time for Canada to go carefully.

Lord Cecil had at one time a strong Conservative following who favored him for the premiership, but, becoming more familiar with his personality and his lack of real leadership and administrative ability, have pretty well all deserted him. His chief supporter now is Percy Alden, the former Radical leader who was associated with the Russian "Save the Children Fund."

ON BEING CANDID WITH INVESTING PUBLIC

WHEN the Federal Fire Insurance Company was organized some time ago by a group of Toronto business men, a policy was adopted, which, if more generally followed, would have the effect of greatly increasing public confidence in new enterprises. Public announcement has been made of the exact number of shares of stock sold, the amount subscribed by the officers, the prices paid and the commissions paid in the stock transactions. Further the definite statement has been made that no stock was given to anyone and the amounts paid for various incorporation expenses given in detail.

Such a frank announcement undoubtedly gives the public confidence in the management of this new enterprise. Unquestionably the chances of success have been greatly enhanced by taking this course at a time when there is a more or less general impression of new companies being loaded with heavy issues of stock given to promoters and directors and other interested parties.

The great majority of financial and industrial companies organized in Canada are, of course, on a clean, sound financial basis. However, there are the exceptions where the public is asked to subscribe for stock on a basis far above its intrinsic value, where the treasury has been looted of stock to repay promoters and where chances for success have been destroyed from the start by the high cost of the capital raised, not to mention unsound conception and doubtful execution. The chances for the success of the honestly, soundly and properly organized enterprise can be greatly increased by intelligent publicity as the basis for an appeal to public support and public confidence.

SIR GEORGE PERLEY SUGGESTS NEW MINISTER

SIR GEORGE PERLEY, former Canadian High Commissioner, in an interview with The Times, London, thinks that consultations between the Imperial and Dominion Governments are not sufficiently frequent. In consequence there is not sufficient co-operation between the various units of the Empire. He advocates "continuous consultation" and suggests that each Dominion create an additional position in London, a resident Minister, to deal with Imperial problems in preference to a High Commissioner. "The High Commissioner," he says, "is supposed to approach the Imperial Government through the Colonial Office only, while a Minister could sit in conference with the Imperial Cabinet."

It is quite evident that Sir George's long residence in London has accentuated his natural mental tendencies and brought him completely under the circuitous red tape system.

Intead of putting Canada to the expense of keeping up another etablishment in London, why not adopt the very simple plan of amending practice and allow a High Commissioner to approach the Imperial Cabinet direct instead of, hat in hand, through the Colonial Office, which was Sir George's practice? We understand this is exactly what his successor, Hon. Mr. Larkin, who has been doing unusually good service for Canada, has done. He has gone direct to the Imperial Minister with whom he had business, instead of transacting it through the Colonial Office. Sir George does well to bring up the matter but if, as the suggestion indicates, the Imperial Cabinet regards the Canadian High Commissioner as an "understudy," it would be in Imperial interests to correct that impression. But has not Hon. Mr. King already covered this point? He made Mr. Larkin a member of the Privy Council.

CLARE SHERIDAN: PROPAGANDIST

IT WAS recently announced that Mrs. Clare Sheridan, the British authoress and sculptress, will make her home in Berlin in future. Readers of THE POST will not be surprised. She is clearly a German-Soviet sympathizer.

Six months ago, October 6th, THE POST published:

Rudyard Kipling's irresponsible assertion to the effect that the United States entered the war too late and left it too early, will not add to the amity that is so desirable between the latter country and the allies. The sharp dictum of a censor seems to have been badly needed in this instance.—Hamilton Spectator.

The Spectator has come nearer than any other Canadian paper in putting its finger on the explanation of Clare Sheridan's dispatch. She is the daughter of that very good friend of Canada, Moreton Frewen, but the fear that English authorities have of Clare Sheridan is shown by the fact she was accompanied across the ocean by British Intelligence officers and followed closely on this side by U. S. Intelligence officers. Like some Canadian and some old country people, she has, to say the least, some very doubtful acquaintances and spreads some very doubtful stories. Our own opinion is that she has been used to spread anti-British propaganda.

BUYING A MORTGAGE OR A PARTNERSHIP

WHEN the investor buys a bond he shares in a mortgage on certain real assets. But when the investor buys stock he becomes a partner in a business. The difference is fundamental and if appreciated would prevent many people from taking unrecognized risks with their money.

The more this idea is considered the more the wise stock purchaser will be inclined to consider the people with whom he is going into partnership. Have they managing and directing ability? Have they a stake in the enterprise which will urge them to make it a success? Or can they make more for themselves by appropriating stock and money for contributed assets of doubtful value or organizing services?

Had the L. R. Steel proposition been considered from this standpoint there would have been fewer millions sunk in it. The great selling argument that it was an opportunity for little fellows to club together was the crux of the weakness of the whole scheme. How could a partnership of thousands of small investors without business experience be expected to succeed when the directing heads themselves had such a small stake in the project that they were more interested in organizing new companies and selling stock than they were in making these companies pay dividends? Now that a crisis has come the hopelessness of trying to work out a constructive policy with thousands of small shareholders trying to speak their minds is seen. Meetings of shareholders which have been held reveal an absence of intelligent leadership and a disinclination to listen to sound advice.

The difference between buying a mortgage and entering a partnership should be understood by all investors—it applies particularly to small investors who can ill afford to speculate with their savings.

QUALITY AND SERVICE CREATE WORLD-WIDE SALES

"SOMETIMES the price of our goods is 10 times as high as that of competing lines made locally in foreign markets, but we are getting more and more business every year." This statement was made recently by a manufacturer of paper products. He attributes his success to the high quality of his wares and to the expert service with which buyers are furnished. Commercial specialties for stationers, household novelties, and special orders comprise this manufacturer's output.

His own men go out from the factory to introduce these goods in foreign countries. They give demonstrations in stores and public halls to reach the importing jobber or wholesaler, the retailer, and the public. They distribute booklets of instruction printed in the particular language of each country. They explain the many practical uses of the manufacturer's products.

Resident agents are not appointed, because the line is highly special and requires expert sales methods. Better results have been attained by sending salesmen from the factory periodically.

The manufacturer has to meet competition in many lines from many sources. Some of the goods are made locally in numerous countries. These competitors sell at prices that are only one-half to one-tenth of what he charges. Yet his export business grows steadily year after year, because his products are of the highest grade and he takes pains to show foreign buyers how to use them profitably.

EDITORIAL NOTES

PRICES in Russia are 15,000,000 times the pre-war level, measured in terms of roubles. This does not require humorous comment to make it funny.

* * * *

FEW MUNICIPAL councils can consider their public accounts with as much satisfaction as that of Goderich township. This township has no debenture debt of any kind and no tax arrears. The tax collector is R. G. Thompson, who has been in that position for eleven years. During that time he has turned in his completed roll each year without any arrears.

* * * *

"IT IS increasingly evident that co-operation between Great Britain and the United States is essential to the economic rehabilitation of the world; neither alone can effectually handle many of the problems which exist or may develop," declares the investment bulletin of C. F. Childs & Company, the oldest house in America specializing exclusively in government bonds. "There is," we are told, "a wider aspect of the whole matter far transcending in importance any question of rates of interest."

* * * *

THOSE WHO read in these columns a few weeks ago an outline of the plan of the Province of Quebec in offering encouragement to private capital to develop the water power resources of that province, will appreciate the significance of the statement of the Pulp and Paper Magazine that "the Quebec plan of control of the development and retaining of the ownership of natural resources so as to have a continual source of return to the people, is the ideal way of administering public property, and is far in advance of any of the hare-brained schemes for government ownership that have been tried in the balance and found wanting."

* * * *

REFORM OF the banking laws in certain of the United States is being called for. Commercial West declares that the failure of a number of banks in New York, Chicago, and other cities, banks which were loosely managed, is convincing evidence that reform is essential in the banking laws of a number of states. In Chicago two banks were closed within a week. One of these institutions was operated by a railway trainman who had little banking experience, and the other by a former postman. Poor management and reckless use of bank deposits by officers was the cause of the failure of both banks.

* * * *

THE JUDGMENT of the Privy Council set at rest any question as to whether or not the Dominion Government was right in paying nothing to the holders of Grand Trunk preferred and common shares. But with Canada looking to Britain for capital it might have been better if the Dominion's side of the controversy had been explained more fully to British investors. The loss still rankles. Witness this statement from the offering sheet of one of the largest investment banking institutions in London, in a discussion on Canadian Northern income charge debentures due 1930. "The harsh attitude of the Canadian Government towards other groups of railway investors doubtless accounts for the low price at which the stock is obtainable."

Who Would be Rich Man's Son?

An Interview With Albert D. Lasker

By WILLIAM HARD.
In Collier's, the National Weekly.

Albert Lasker, chairman of the U. S. Shipping Board, started life as the son of a rich man. His chief torment then was that he might grow up to be called "Old Lasker's son." He is now equally determined that his three children shall not be "Old Lasker's kids." "Every child," he says, "should have a chance—including the child whose father took one." That chance can be given by limiting the amount a wealthy man may leave to his children. Here is his way of doing it:

"Make the inheritance tax the basis of the first big bulk of government revenue. Instead of starting with the business man, start with the heir.

"Go fairly slow till you come to estates of about $2,000,000. And when you come to the really large estates, take the top millions of them entire."

In talking some time ago with Mr. Albert D. Lasker, chairman of the United States Shipping Board, I observed with some astonishment that, in spite of his known great wealth, he seemed to be extremely—and even fanatically—devoted to the idea of larger and larger inheritance taxes. I had supposed that the senior senator from Illinois, Mr. Medill McCormick, was the most ardent inheritance taxer in my acquaintance. I found that Mr. Lasker was quite more ardent at it than Mr. McCormick.

Mr. McCormick had introduced into the Senate an amendment to the revenue law providing that our Federal inheritance tax should be sharply and drastically increased.

"Your amendment, senator, does not go far enough," said Mr. Lasker to Mr. McCormick, on the first occasion when I heard Mr. Lasker discuss the inheritance-tax problem.

Having thus discovered a largely prosperous person who seemed to pine to have his fortune disintegrated upon his demise, I undertook an inquiry into his mental history and condition. I was making some little progress at it when I noticed Mr. Shepherd's inheritance-tax articles in Collier's. I then went to Mr. Lasker and asked him if he could lay aside the ship-subsidy bill long enough to give me a sort of complete connected lecture on inheritance taxes as seen by one who aspires to suffer from them.

Mr. Lasker took me at my word; and, having at least provided me with an easy reclining chair, began. He began by taking a plunge into—and through—the subject of initiative in business.

His words come amazingly fast, and his thoughts come faster. He is the despair of all Washington correspondents who try to report him literally. His thoughts catch up with his words, and overtake them, and get ahead of them—until at last he seems more or less to be talking on six or seven different points of the subject at the same time and produces an impression as of a magnificent but furious express train running in six or seven sections on six or seven parallel tracks simultaneously, with every chance that when it reaches the terminal station it will go straight through the back wall.

The Man Who Should be Taxed

The interviewer has to throw himself on the tracks and say: "Stop! Stop! We have come to a way station. Say something more about business initiative."

"Oh," says Mr. Laskar, looking pained at this interruption of through traffic. "But very well." And he pauses on business initiative long enough to speak as follows:

"Efficiency in business is not enough. There has to be initiative too. There has to be the spirit of adventure, of risk, of exploration. We have to have people who are willing to go across all sorts of new business seas and storms looking for new business fields which they will discover and develop.

"To sustain our government now we have to have new fields and new sources. The explorers find them.

Initiative Finds Them

Initiative breaks the ground out of which new governmental revenue springs. The very first rule of taxation should be: cultivate, stimulate, accelerate business initiative! The inheritance tax—"

"Wait a minute," I said. "What about our present taxation system and the spirit of initiative in business?"

"I'm telling you," said Mr. Laskar. "It's like this:

"At present by means of a high income tax we kill initiative at its peak and then by means of a low inheritance tax we kill it at its source."

"What?" said I.

"Yes," said Mr. Lasker, "it sounds extreme, but isn't it true? Consider! By means of a low inheritance tax we hand vast fortunes over to people who have not earned them and who have given no proof of having any spirit of initiative and who, in case any such spirit does by any chance happen to be in them, will at once have less of it because of the fortunes they have gained without work and without risk.

"Then along comes the high income tax and finds a man who has earned a fortune and who has proved his possession of a spirit of initiative, and it says to him: 'Are you thinking of hazarding your fortune on a new proposition? Let me tell you: if you lose, you may have your losings; but if you win, I will take up to 58 per cent. of your winnings.'

"The man says: 'Thank you, I will invest my money in tax-exempt bonds for making a park system in the city of Springfield, Mass.'

"The high income tax turns men who have been adventurers into men who play safe. It turns chance takers into coupon clippers. It turns explorers into retired investors in club corners. It kills initiative at its peak. It kills it in men in their prime. It kills it in money at the moment of its highest vigor. I say that what we ought to do is exactly to reverse this situation. Change the income tax from high to low. Change the inheritance tax from low to high. Stop making the income tax the beginning of taxation. Make the inheritance tax the beginning of it. Make the inheritance tax the basis of the first big bulk of government revenue. Instead of starting with the business man, start with the heir!"

"And go how fast?" said I.

"Go fairly slow till you come to estates of about $2,000,000. Then begin to go quite fast. And when you come to really large estates, take the top millions of them over into the public treasury entire. Tax those top millions 100 per cent."

At this point I think it only just to Mr. Lasker to say that from what is currently known of his affairs his suggestion regarding mercifulness to estates of not more than $2,000,000, is no suggestion of mercifulness to his own estate unless he now starts adventuring in business too frequently and too unluckily. I think it also only just to him to say that he has heirs—immediate heirs: a wife and three children.

"And any gift a man makes," he said, "to any member of his family or to anybody else, should be taxed at the same rate that his estate would pay if he had died."

I remarked: "But if at a man's death you take all this enormous proportion of his estate into the public treasury, you will be making the government an owner of millions and billions of stocks and bonds in private businesses. You will be taking the government into business on a colossal scale. You will have government ownership promiscuously and tremendously."

"I've met that point," insisted Mr. Lasker. "I've thought it out. Listen:

"I provide that every man in his will shall have the right to name the administrators who shall manage the whole of his estate after his death, including the part which the government takes. Then, within a certain named period—say, thirty years—the government's part must be liquidated, and the government paid off. In the meantime, however, the management of the business continues to be absolutely and totally in private hands just exactly as before the death of the owner.

"I used to think that public management was bad. Then I came to Washington and started being a public manager of public ships. Now I know that public management is bad. The inheritance tax need not give us public management of businesses. It need not do so and it ought not to be permitted to do so. Any such result would defeat the very first purpose of the inheritance tax. That first purpose is private initiative—more private initiative—more and more of it—always being refreshed and increased."

Mr. Lasker then did an uninterrupted spurt of ten minutes—out of which I gathered the following sparks of observation:

"The present income tax is a stupid surrender to suicidal demagoguery."

"The ideal of taxation is to make the burden fall upon those who best can bear it with a minimum discouragement for energy and inspiration."

"A man has an instinct to provide for his family, but if he loses his family he has an instinct to go on working and accumulating just the same; and we see him doing it."

"Would a business man rather be taxed 58 per cent. now and 25 per cent. at his death or 25 per cent. now and 58 per cent. at his death? Ask him that question, and you can put down the answer before he gives it."

"Inheritance taxes should not destroy a man's right to leave his children secure. They should absolutely destroy his right to leave other people's children subject to his."

"They should also destroy his right to leave his own children weakened by his own strength and deprived of initiative by his own excess of it."

"Every child should have a chance—including the child whose father took one."

"A low inheritance tax is a tax on progress. It diminishes the fund of initiative. A high inheritance tax compels initiative and enlarges the fund of it. From the standpoint of human personality it is the rightful basic tax."

A Bequest that Won't Handicap

As I listened to him I thought of many stories told about him by people who knew him in the old days in Galveston, Tex. His father was a great person—a personage—in Galveston. When "Old Lasker" died, Galveston had public demonstrations of sorrow. Young Lasker's chief youthful torment in those days—through his closeness in affection to his father and through the greatness of his father's reputation—was that he might grow up to be called "Old Lasker's son."

That variety of vanity he now seems determined to transmit to his own son—even if in order to do it he has to have Federal legislation.

I hasten to add that the present "young Lasker" is too young to know really what it is all about.

In any case Mr. Albert Lasker's taxation ideas, herewith presented, are not merely a fiscal philosophy. Like every true fiscal philosophy, they are really human philosophy. When we try to answer the question: "What kind of taxes do we want?" we must first face the question: "What kind of life do we want?"

CURRENT OPINIONS

IMMIGRATION AND EMIGRATION

Philadelphia Bulletin

The statement of W. W. Husband, Commissioner of Immigration, as to the type of immigrant now entering the United States is interesting from several points of view. The stocks of Northern Europe predominate and the British Islands, Norway and Sweden will have exhausted their quotas by July 1. The number of immigrants from Canada, which is not subject to the three per cent. law, is expected to be very high.

It is remarkable that notwithstanding systematic efforts on the part of the British, both at home and in the self-governing countries to encourage emigration to British overseas territories, the number of immigrants from British Islands to the United States this year will be greater than to all the British countries combined. The explanation is obvious. The rate of unemployment in Great Britain stands at an unprecedented height and the United States, according to all recent indications, is entering on a period of prosperity, while Canada, Australia and South Africa have not recovered from the industrial depression which followed the war. What Canada and Australia need is not so much skilled mechanics as workers in the land who are also needed in Great Britain, and it is easy to see that the trained artisan thinks he has a better chance of employment in the United States than in Canada and Australia, where industry has so far failed to revive.

The high rate of immigration from Canada is an old story. During the ten years from 1910 to 1919 the average annual rate from Canada to the United States was 70,871. From 1913 to 1922 there has, on the whole, been a rapid progressive decrease in the number of United States citizens who emigrated to Canada. In 1913 the figures stood at 139,000. In 1922 this number had shrunk to 29,345.

DOLLAR GAS

Commerce and Finance

The statement in the report of the Senate committee which investigated the oil industry—published here last week—that the country might have to pay as high as a dollar a gallon for gasoline does more to discredit the report than all the swearing that the surcharged atmosphere of the Standard Oil offices can possibly contain. It is a piece of cheap sensationalism which would tarnish any report, no matter how sterling its metal. It substantiates the charges of "preconceived prejudice" and "made for political effect" better than the statements of Mr. Teagle and Mr. Bedford put together.

Here are a few reasons, stated as tersely as possible, why dollar gasoline seems to be made of green cheese—or whole cloth:

There is room for great saving of crude oil through the development of better methods of mining and handling it. It is estimated that frequently 90 per cent. of the oil underground is wasted and only 10 per cent is finally used as fuel or in the form of refined products. As prices advance the incentive to save becomes stronger, lowering production costs and creating an additional supply which becomes heavier as the price goes up. Its weight alone might keep gasoline under a dollar for many years.

There is room for great improvement in refinery practices, principally in wider use of processes for getting more gasoline from the heavier oils. These processes also will be extended as the price rises and increase the gasoline supply.

Distillation of oil shales, of which there are almost unlimited supplies in the country, will become commercially practicable long before gasoline reaches a dollar. New oil fields are constantly being discovered and crude oil production now is at the highest figure in the country's history. Furthermore gasoline could not possibly go to a dollar without stimulating the production of a vast number of substitutes, particularly alcohol, which is already burned with success in internal combustion engines in many places.

Motorists should worry more about the ability of the legislators they elect than the possibility of having to pay a dollar for gasoline.

According to a cablegram received today by the Dominion Bureau of Statistics from the Indian Director of Statistics at Calcutta, the second wheat forecast of the season places the area sown to wheat in India for the year 1922-23 at 30,032,000 acres, as compared with 28,234,000 acres, the finally reported area for 1921-22, and with 30,322,000 acres, the average for the five-year period 1916-20.

Personals

E. B. CARTWRIGHT, of Messrs. Taylor, Law and Company, Ltd., Birmingham, manufacturers of hardware, is making a business visit to Canada and was in Toronto this week.

A. G. PEARSE & CO., LTD., Nottingham, England, manufacturers of textiles, are sending their managing director on a business visit to Canada this month.

JAMES LAIDLAW has been appointed District Manager at St. John, N.B., for the North American Life Assurance Company.

CHARLES A. FULLER, formerly secretary, has been appointed assistant general manager of the Continental Life Insurance Co. N. J. Lander has been appointed secretary, and King Hunt, chief accountant.

J. F. REID, managing director of Messrs. Hamilton, Caldwell & Sons, Ltd., Glasgow and Leicester, leather manufacturers, was in Toronto this week on a business trip. He is considering an exhibit at the Canadian National Exhibition about which he is very enthusiastic.

HARRY F. BULLARD has been appointed general manager of Dryden Paper Company. Mr. Bullard comes from a New York State family that has been for many years in the paper making business. He came to Canada in 1912 as chemist for the Laurentide Co. and has filled various posts with that firm since. His appointment follows the recent changes in control of Dryden, when George Chahoon and F. A. Sabbaton, of the Laurentide Company, undertook direction of its affairs.

TO MEET THE NEEDS OF MANY INVESTORS

Bonds of the Dominion of Canada, the Provinces, and important representative cities, towns, school districts, etc., as well as securities of some of Canada's leading industries, are to be found in our current Odd Amount List. These are dependable securities and should meet the needs of many investors.

The amounts vary from $100 upwards and the yields range from 5.10% to 6.80%. Copy of List on request.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

LORRAIN CONSOLIDATED

Reader, Walkerton.—Will you kindly give me your opinion on Lorrain Consolidated Mines?

Lorrain Consolidated Mines is a speculation. It is located to the south of the now famous Keeley. We understand that operations have been financed. Messrs. Pourier & Pilon, New York City, have been placed in charge of operations which are to commence very shortly.

CASUALTY COMPANY

H. W., Montreal.—I would appreciate an opinion on the Casualty Co. of Canada. They recently offered shareholders a new issue for expansion of the business but I have never seen a balance sheet. What are the possibilities of this company?

The Casualty Company of Canada was organized in 1911 with head office in Toronto. It transacts all forms of automobile, burglary and plate-glass insurance under a Dominion license. The company has assets in excess of liabilities and maintains the necessary reserves. In 1921 additional stock was issued to raise funds for writing fire risks on automobiles. Following this the company's net income was increased materially, indicating the increased business. No dividends have been paid on the stock as yet, but this is to be expected in companies of this sort as it is more important to build up a strong position. The management appears good and the assets consist chiefly of high-grade securities.

B. C. FISHING

Subscriber, Woodstock.—Would like your opinion on B. C. Fishing. I see the stock has dropped to 17. Do you think the company is going out of business or is there still a chance of their recovering and getting on their feet again?

The outlook for British Columbia Fishing is not bright. Government legislation, especially that dealing with Japanese fishermen, has considerably altered the outlook for the future. British Columbia white fishermen have been pressing to get rid of the Japanese, and succeeded in getting a promise that the Japanese licenses would be reduced 10%. When the measure was put through it was made to read 40%. Then came the agitation that the fish were being exhausted, and that less fishing should be done. This resulted in a 20% cut in the hours of fishing and this in turn resulted in the fishermen putting up their prices. This undoubtedly was responsible for the decline of the stock. Opinion seems to be that the company will come back, but it will be a long hold.

ENTERPRISE OIL

M. L. Winnipeg.—Will you please give me any information which you have concerning the Enterprise Oil Company, of Medicine Hat, capitalized at $125,000?

The Enterprise Oil Company is a company which consists of 40 lease holders in the Many Island field. They have pooled their leases and taken stock in the company. For each acre of lease turned in they have received an allotment of stock valued at ten dollars. The company was incorporated October 5, 1922, and claim that at the present time they are negotiating with an oil company to drill on a royalty basis. George Calder, Medicine Hat, is the secretary-treasurer. The Community Oil Company, which really consists of the leading citizens of Medicine Hat, is drilling in the same oil field. Their well is now down 2,500 feet. Charles Pringle, former member of the Alberta legislature, writes me that he is satisfied that they are going to bring in a well themselves. "We are now just on the top of the Decota formation," he says. An announcement of the success or failure of this enterprise should be made within the next two weeks.

CANADIAN CAR

Reader, St. John.—I purchased Canadian Car preferred at 75. Shall appreciate your opinion on same. Shall I hold? Is there likely to be any immediate increase in price or shall I have to wait a year or so for an increase to 80?

Canada Car & Foundry is now operating on orders for the Canadian National and Canadian Pacific Railroads after being practically idle about two years. This enforced period of inactivity with heavy expenses being incurred ate heavily into the surplus, for the dividends that were paid were not earned. However, the company is in excellent working capital position and is ready to finance the orders it now has without difficulty. It is doubtful if the preferred dividend would be resumed unless the directors were assured that it could be continued indefinitely. Thus the immediate future of the stock is somewhat doubtful for the increase of 30 points in the market price during the past year has discounted a great deal of the present improvement in the company's position. Many industrial securities are selling at the present time at prices so far above the low prices of last year that a settling down during the summer might be expected.

Taking a long view of the matter, Canadian Car preferred is certainly a stock to hold, but if you are interested in a quick profit on your purchase there are so many factors entering into the situation that we are not in a position to advise what you should do. Advice on speculative matters is different from advice on investment.

OIL PROMOTORS FLEECED PEOPLE OF TEXAS OF $100,000,000

Oil stock promotors operating in the State of Texas during the last five years have filched more than $100,000,000 from the public, Postmaster-General New was advised in Washington recently by John H. Edwards, solicitor of the Postoffice Department, and Chief Postal Inspector Simmons, who are in Fort Worth co-operating with the Department of Justice.

EXCHANGE OF VICTORIES

D. M., Nova Scotia.—Which is the better exchange to make for 1933 Victory Bonds at 106¼, St. Maurice 6½% at 102, bonds just issued, or Spanish River general mortgage bonds at 107, 8% redeemable at 110 in year 1924? Would you consider Camaguey Electric 6½% first mortgage bonds at 99 to be a good exchange for above Victory bonds at 107½?

In exchanging Victory bonds for bonds of a public utility or industrial corporation, you must consider that you are assuming a risk in exchange for the added interest return that you get. At the same time, if your income is under about $6,000 a year, you are not interested in the exempt feature of the 1933 Victory bonds and would be justified in exchanging them for well-secured corporation bonds.

The St. Maurice bond issue is excellently secured and is payable in New York. This feature, however, has made it sell somewhat above the rate for bonds payable in Canada only. Spanish River general mortgage bonds are a second mortgage issue, but the earnings are well secured. They are not as you state redeemable at $110 in the year 1924. The trust deed provides that the bonds may be redeemed by the company at $110 up to 1924 and at $107 and successively lower amounts in the following years. There is no assurance that they will be redeemed and you should not buy them on this assumption.

The offer made to you for the exchange of Victory bonds into Camaguey Electric Co. 6½% first mortgage bonds is very fair. This security seems to be well protected as to earnings, for during the year 1921 net earnings were about three and a half times the total bond interest charges and the yield at this price would be close to 6 2/3 per cent.

DRYDEN PAPER

J. S., Nova Scotia.—Kindly give me your opinion of Dryden Paper common as a speculative investment. What is the present price? What are prospects for payment of dividends?

The future of Dryden Paper Co. is undoubtedly much brighter now than at any other time during the past two years and there is every prospect that with the completion of the additional paper-making machinery now being installed that the company should be able to operate upon a basis of satisfactory profits. At the same time, we doubt if dividends will be paid for a long time yet. For two successive years the company has operated at an actual loss which has affected its working capital position and the directors would feel justified in deferring dividends until the reserve has been built up and ample allowance made for depreciation of plant and raw materials on hand.

You probably noticed that George Chahoon, Jr., president of the Laurentide Company, and F. A. Sabbaton, also of the Laurentide Company, have taken over the operations of the Dryden Paper. These two gentlemen are heavily interested financially in the company and their direction of its affairs should prove a real asset.

The stock has a book value of about $50 a share and was originally issued about two years ago at $35 a share. To-day it is selling at around $20 a share and the future undoubtedly depends upon a development of a satisfactory earning power. Up to the present only about 25 per cent. of the company's sulphate pulp production has been converted into paper in its own mill. New machines are now being installed that will increase its percentage to nearly three-quarters of its total production. The stock has possibilities, but considering the likelihood that dividends will be long deferred, it is only a purchase for the person who is ready to wait.

GRAND TRUNK PACIFIC

R. W., Barbadoes.—Shall be obliged if you will give me as much information as possible on Grand Trunk Pacific 4% debenture stock purchased at 95⅞.

In London the quotation is now from 51 to 53, which gives the £610 the valuation of approximately $1,500. This is a substantial loss from the price at which it was purchased. The terms of this security are such that no interest will be paid under the guarantee of the parent Grand Trunk Railway until the latter Company earns sufficient over and above its operating and fixed charges to meet this interest. This has not been the case for the past three or four years and it is likely that the Grand Trunk section of the Canadian National Lines will in time get back to its former profitable basis and earn sufficient to pay the interest on these debentures. There is in no sense a Government guarantee of this interest payment and the future is entirely dependent upon the earnings of the road.

In this connection it might be noted that while the Canadian Government Railways, the Grand Trunk Railway, the Grand Trunk Pacific Railway, and the Canadian Northern Railway, have all been united under one Canadian National System, that separate bookkeeping records will be kept of the earnings and operating charges of the various divisions in order that it may be determined accurately if interest is ever earned on those portions of the Canadian National Railways that were originally interested in this security. The same applies to the five per cent. convertible income charge debenture stock of the Canadian Northern Railway.

RED STAR REFINERY

F. E., Nova Scotia.—Would like your opinion of the Red Star Refineries, Ltd.

We are perhaps better qualified to discuss the investment side of the Red Star Refinery than give an opinion upon the scientific and economic possibilities of the Ramage Process. Regarding the latter, however, we attach reports from a well-known firm of analysts which seem to be very favorable to the method of producing this motor fuel.

The company has changed its name, you may perhaps know, to the Nation's Oil Refineries, Ltd. At the same time there has been some changes in the financial arrangement and an issue of $350,000 is being offered. These bonds pay 8 per cent. interest and mature in seven years, $50,000 being paid off each year. The bonds are being offered on a unit plan which involves the purchase of preferred and common stock as well, securities to a par value of $250 being sold to the investor at $200. The security has speculative possibilities but the company has yet to establish itself and we could not recommend the purchase of any other securities as a sound investment. The so-called unit plan of selling securities which involves the sale of a group of two or three different types of certificates in one block has advantages from the standpoint of the issuing corporation in that it is able to place its bonds and preferred stock on a basis where they return their full par value to the company, but it is not generally resorted to by the larger and older corporations. Its chief drawback is that the investor is paying cash for the common stock, that has little or no value except in the future and which would in ordinary circumstances be granted as a bonus with preferred shares or debentures. In other words, we feel that under this plan of selling securities the advantages that accrue to the company are offset by the disadvantages from the investor's standpoint.

The circular offering this issue of bonds gives no data as to the company's financial position, but we understand that on the completion of this financing the company will have the capital to erect its building and start out with at least a moderate amount of working capital.

The directors of the company are Benjamin Briscoe, Detroit; A. H. Ballard, New York; F. S. Beall, Detroit; J. B. Weaver, Chicago; T. J. Storey, Brockville; J. E. Wilder, Montreal; T. A. Hilburn, Montreal, and J. H. Smith, Toronto.

Northern Canada Power

C. C., Hamilton.—What information can you give me regarding Northern Canada Power? Some $200,000 worth of stock has been represented to me as being disposed of to wind up an estate. Salesman tells me stock is all very closely held among small number of shareholders and says it is a wonderful opportunity. Price quoted $100. Can you tell me results of proceedings taken by Hollinger people in supreme court regarding shortage of power from this company in 1921 and also what bearing the proposed development of power on the Abitibi by the Hollinger mine would have on the market for power of the Northern Canada plants.

Northern Canada power is not listed, but there has been quite a bit of trading in unlisted securities circles. About a month and a half ago a block of this issue, 50 shares, was offered at $45.00. There was some trading at the time and bids were raised. The latest bid we are able to secure is $50, no stock offered.

Northern Canada Power's net earnings were $312,679 in 1921 and $479,901 in 1922. A 2% dividend was paid in 1920 just after the capital was raised from $3,000,000 to $6,000,000. This change, which included the name of the company also, was just a method of declaring 100% stock dividends, as earnings had been going heavily into development and new plant.

Funded debt.—$1,208,000, first mortgage gold 6%, dated Oct. 1912, due Jan. 1928. This stock is closely held. We have heard reports of salesmen offering this stock for sale, and at the office of the company it is said that it is evidently part of the estate of H. B. Sims, Niagara Falls. This stock was given as a bonus with the bonds. The price of par is considered rather high for this issue.

In 1921 Hollinger Mines sued the company for damages for loss through failure to secure the required amount of power. The trial judge dismissed the action and it is now on appeal. In the meantime an action was entered by the company and is now being heard for specific performance of a 12-year old contract. In a word the company is setting up that it has a contract to supply Hollinger's power needs for the life of the mine. Hollinger is the company's biggest customer, but there will be plenty of customers available if Hollinger can solve its own troubles. In fact from a mining point of view everyone would like to see Hollinger get a separate power as it would help out other mines.

LAURENTIAN POWER

B. S., Moncton.—Would thank you for opinion of Laurentian Power bonds as an investment.

The serious difficulties that Canada has encountered in the past year or two in regard to fuel supply have directed attention to water power developments as a step in the development of this country's own power and fuel resources. This has given a tremendous impetus to water power projects, a development which is undoubtedly based upon the very soundest grounds and means a great deal to Canada both in releasing coal for domestic and heating purposes, and in adding materially to the national income. To finance these water power developments many millions of dollars of bonds have been issued and a very substantial market for power securities built up. The record to date of these securities have been excellent and there is no reason to believe that given good management, reasonable construction cost and capitalization, a well established market and clear title to the water powers under development that the record of future companies will not continue to be as satisfactory.

Referring more particularly to the Laurentian Power Company's development at Seven Falls on the St. Anne River, this has been highly rated by engineers. During the past year there was some difficulty regarding the full development of the power due to ice trouble, but these difficulties have been widespread because of the severe winter. The earnings record of the company has been very satisfactory and should continue so because the power is marketed under very long term contracts. In 1920 the net earnings were approximately $162,000 and bond interest a little under $81,000. In 1921 the earnings increased to $172,987 and bond interest was somewhat lower at $80,703. The bonds were originally offered at 88½ and accrued interest to yield 7¼ per cent. This was about two years ago. They are now selling at around 97 and yield about 6¼ per cent. We would consider that you were entitled to 6% per cent. yield on these bonds if they were payable in Canada only, but they are payable also in New York and the market in New York for Canadian securities is on a somewhat higher basis than in Canada itself.

Wild Prices Being Paid in U.S. for Wild Cat Canadian Oil Stock

Certain New York papers have been featuring the "spectacular rise" recently of Royal Canadian Syndicate, which has been sold as high as $600 "over the counter." Imperial Oil directors take strong objection to the use of their stock as a lever for operations in this syndicate and the announcement that Imperial Oil is drilling on the syndicate's holdings in Southern Alberta on a 50-50 basis. Imperial Oil denies emphatically the above statement. The facts of the case are that Imperial Oil was asked by the syndicate for the loan of a rig, and having one available, supplied it. It is correct that if oil is struck, Imperial will share in the proceeds under the loan arrangement, but there is absolutely no further connection between the Standard Oil subsidiary and the syndicate. The hole is being sunk in a district which one Imperial Oil director considers "very unlikely."

This will give you a grasp of financial and business conditions

"INVESTMENT ITEMS" is a complete review of Canadian investment and business conditions, and commodity markets, written by leading authorities on each subject. This month's issue contains a striking article on the Sulphite Pulp Industry and every owner of pulp and paper securities should read it.

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The March supplement to the Greenshields's Catalogue analyses a listed preferred stock with a long record of continuous dividend payments. Its yield of over 7½% makes this an attractive investment.

Write for Catalogue with March Supplement.

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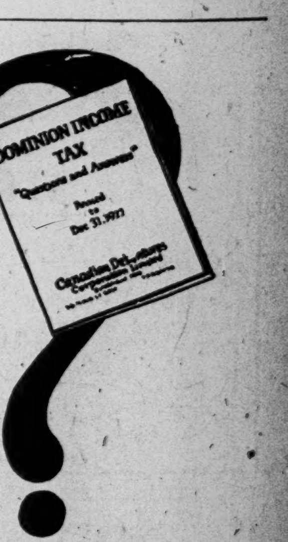

Is Your Income Tax Return Ready?

This booklet greatly simplifies for individuals, incorporated companies, estates and trustees the preparation of their income tax returns.

The rulings, so far as can be learned, are in accordance with the practice of the Taxation Department, and all amendments to the Income Tax Act for the year 1922 are included.

A copy will be forwarded on request.

Ask for Booklet F4

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NEWS AND VIEWS ABOUT BONDS

FEW BOND ISSUES SOLD DURING WEEK; PRICES HOLD FIRM

Alberta, Only Large Issue, Goes to American Market

The bond market continues firm but quiet. During the week the only large issue sold was that of the Province of Alberta. Tenders were called in both Canadian and American funds, the tenders accepted being in U. S. money. This is an indication that Canadian bonds, which showed a weakness in New York last week, are firmer in that market. Any floating supply which existed is gradually being bought up.

Canadian investors are finding it difficult to get accustomed to the lower yields and buying is not heavy. Victory bonds are being sold freely by both institutions and private investors. The New York Federal Reserve Bank has given no signs of changing its discount rate, giving reason for a belief that the present levels may be maintained for some time. With the interest and dividend funds available May 1, the demand which is now so lukewarm should stiffen, making room for any good issues which may come on the market.

Dominion Securities Corp. submitted the accepted tender for the $3,000,000 issue of 5 per cent. 20-year Province of Alberta bonds. Alternative bids were asked for on the basis of Canadian and New York payment and the award was made on the bid of 94.273 submitted under the latter alternative. Wood, Gundy & Co. were high at 95.18 for Canadian payment. At the approximate rate of discount of 2 per cent. at which Canadian funds prevailed, the price of 94.273 in New York would equal 96.15 in Canadian funds, at which price the province borrowed on a 5.30 per cent. cost basis. The bonds are for the purpose of refunding a 6 per cent. 3-year $3,000,000 issue, maturing on May 1 next. Bids were as follows:

	pymt. Can.	pymt. U. S.
Dom. Securities Corp.	95.15	94.273
A. E. Ames & Co.	94.79	93.80
Wood, Gundy & Co.	95.18	93.78
Gairdner, Clarke & Co., R. A. Daly & Co., McLeod, Young, Weir & Co., and Lougheed, Taylor & Co.	94.93	93.63
R. C. Matthews & Co. Halsey, Stewart & Co., Carston, Earles & Co., Wells, Dickie & Co., Seattle National Bank, Equitable Trust Corp.		93.53
Harris, Forbes & Co.		92.59
Abbey Salts		27.
Brit. Amer. Assur.		6.07

Wood, Gundy & Co. purchased an issue of $40,000 5½ per cent. 30 equal annual instalment debentures of the township of Toronto at a price of 102.24, an approximate cost of 5.30 per cent. The bids were:

Wood, Gundy & Co.	102.24
Municipal Bankers Corp.	102.08
Bain, Snowball & Co.	101.948
Macneill, Graham & Co.	101.847
Dyment, Anderson & Co.	101.66
A. E. Ames & Co.	101.62
MacKay-MacKay	101.50
Dominion Securities Corp.	101.47
Gairdner, Clarke & Co.	101.437
C. H. Burgess & Co.	101.33
R. A. Daly & Co.	101.315
Bell, Gouinlock & Co.	101.21
R. C. Matthews & Co.	101.16
Bird, Harris & Co.	101.094

Municipal Bankers' Corporation were awarded the issue of $29,995, 5½ per cent., 30 instalment bonds of the town of Burlington. At the selling price of 101.012 the money is costing the municipality approximately 5.41 per cent.

The tenders submitted were:

Municipal Bankers Corp.	101.012
Bell, Gouinlock & Co.	100.63
Bain, Snowball & Co.	100.438
Gairdner, Clarke & Co.	100.167
R. C. Matthews & Co.	99.91
Bird, Harris & Co.	99.71
Macneill, Graham & Co.	99.57
McLeod, Young, Weir & Co.	98.87
Stewart, McNair, Reid & Co.	96.00

Township of East Flamboro' bonds amounting to $25,000, bearing interest at 5½ per cent., and repayable in 10 instalments, were sold to Dyment, Anderson & Co. at 100.14, representing a cost of 5.47 per cent. An interesting feature of the bidding was the very keen competition, and the relatively narrow margin that separated the high from the low tender.

The bids were: :

Dyment, Anderson & Co.	100.14
Bain, Snowball & Co.	100.067
Wood, Gundy & Co.	100.052
McLeod, Young Weir & Co.	100.05
Gairdner, Clark & Co.	100.032
A. E. Ames & Co.	99.86
Bird, Harris & Co.	99.65
Bell, Gouinlock & Co.	99.63
C. H. Burgess & Co.	99.62
R. C. Matthews & Co.	99.61

OPEN IN MONTREAL

From Our Own Correspondent.

MONTREAL.—Gairdner, Clarke and Company, bond dealers of Toronto, have opened a branch office in Montreal, in the Dominion Express Building. O. A. Doherty, who before associating himself with Messrs. Gairdner and Clarke in the formation of this firm, was with Wood, Gundy and Company, is in charge of the office.

RIORDON BONDS

The recent interest in Riordon stock has also increased the interest in the bonds. On February 1st Riordon 6's due 1929 were selling around 28 to 30. Riordon 6's due 1942 were selling around 75, Riordon 8's due 1940 were selling around 75. These bonds are now quoted: Riordon 6's due 1929, 44. Riordon 6's due 1942 78, Riordon 8's due 1940 94. From the above it will be noted that the Riordon 8's have risen approximately 20 points, while the General Mortgage 6's due 1929 have gained about 16 points.

Drummond Apartment Bonds Yield 6.60%

From Our Own Correspondent.

MONTREAL.—Although most real estate mortgage bond issues are made on the serial plan, the Drummond Investment Company issue of $2,000,000 was made on the straight term plan, the bonds running for fifteen years with a sinking fund feature Longer term bonds are more popular with Canadian investors, as they are better understood, and this partia explains the reason for the fifteen-year term.

The contract for the new apartment building, which increases the capacity of the "Drummond" from 75 suites to about 200, was let to Anglin-Norcross this week and the building will be ready for occupancy within a year. The bonds being issued will retire a present outstanding block of $570,000 of serial bonds issued on the older part of the structure in 1919, and will provide a portion of the cost of the new and larger wing. There is a sinking fund providing for the redemption of $714,000 of the bonds by maturity.

The properties, it is estimated, will have a valuation of about $4,000,000 of which $550,000 is for the land.

Earnings, it is estimated, will run about two and a third times bond interest requirements. The estimates provide for gross rental income of $436,500 a year.

The issue was offered at 99 to yield 6.60 per cent. by a syndicate headed by the Royal Securities Corporation and including in addition R. A. Daly and Co., Greenshields and Co., Hanson Brothers and McLeod, Young, Weir and Co.

MAJOR PORTION OF BONDS SOLD HERE

Offerings in Canada in 1923 Well Over Hundred Million

According to the monthly statement of the Dominion Securities' Corporation, the total bond offerings in Canada for the first quarter of 1923 were $117,148,848. Over 68 millions, or approximately 58 per cent., were marketed in Canada, 40 per cent. in the United States and the balance in Great Britain.

The table given below shows the relative proportions of different classes of bonds sold.

Security	Sold in Can.	Sold in U. S.
Municipal	$22,219,528	$25,253,000
Government	11,925,000	3,000,000
*Pub. Utility	7,525,000	5,365,000
*Industrial	26,731,320	13,670,000
Total	$68,400,848	$47,288,000
	58.39%	40.36%

* Sold in Great Britain .. $1,460,000

Wayagamack Bonds Yield Investor 7.25%

From Our Own Correspondent.

MONTREAL.—Bonds of the Wayagamack Pulp & Paper Co. have been selling at about 83 lately, which means they return a yield of just under 7.25 per cent. to the investor. Although this price is somewhat above the price at which a million and a half additional of these bonds were issued a year ago to the public, the yield, nevertheless, is higher than that returned by the average good industrial bond at the present time. One reason is the Wayagamack has not earned its bond interest for two years. In 1921, the company had an operating loss of $157,000 and in 1922, although it had an operating profit of $372,000, there were items of depreciation and stumpage dues totalling $210,000 which were a charge before the bond interest.

There really is cause to consider these bonds reasonably safe and cheap at to-day's price. The company is in an excellent working capital position and has a profit and loss surplus of nearly a million dollars. Earnings, after all charges and applicable to interest requirements on a $5,000,000 issue, were three times requirements from 1913 to 1920. The bonds still have 28 years to run, as they do not mature until February 1st, 1951. An amount of $1,374,000 of these were offered to the public in April, 1922, at 77½ and interest.

Canadian Bond Sales in U.S. Are Higher

From Our Own Correspondent.

NEW YORK.—American buying of new Canadian provincial and municipal issues was decidedly heavier during the first two months of 1923 than it was during the corresponding months of 1922. Since the first of the year Canadian provincial and municipal bonds to the amount of $26,233,000 have been sold in the United States. The total during the same period in 1922 was $25,736,000. The refunding issues in 1923 have totalled $8,000,000; in 1922 they totalled $5,000,000.

CANADIAN BONDS FREE FROM TAXES YEARLY DWINDLE

Succession Duty Free Issues, Though, Still Being Brought Out

From Our Own Correspondent.

MONTREAL. — Throughout the United States there is almost universal protest against further issue of tax exempt securities. There is now a total of $30,000,000,000 of such securities outstanding, upon which the United States government can collect no income tax whatever. The total is increasing at the rate of $1,000,000,000 a year and during the past few months the Federal Government has issued $500,000,000 of these tax-free securities in a single lump.

Across the line federal and municipal bonds are exempt from taxation. Such securities are getting into the hands of the very wealthy. The late Jacob Schiff left an estate of $35,000,000, the bulk of it in tax exempt bonds. It is estimated that since the war the Astors have turned $45,000,000 of their property into cash and have put the money into tax-exempt securities. Scores of old estates are being liquidated and tax-freed in this way.

In Canada the tax-exempt security evil will pass away in the course of time if present governmental policies are wisely continued. There are now outstanding about $1,150,000,000 of Dominion government securities that are exempt from income taxation and before the end of the year this will be reduced to under a billion dollars. It is likely to be the policy of the present finance minister and any of his successors to issue only securities the income from which will be subject to all taxation. There is a difference of several points in the market value of the tax-exempt and the taxable Victory bonds and while new securities could be sold at a higher price with the tax-free feature, it would be a short-sighted and ruinous policy in the end, for wealthy individuals would put practically their whole resources into tax-free bonds and the large percentage of their income that would otherwise go to the government in revenue would not be paid.

Succession Duty Exemptions

Perhaps the most striking feature of the exemption of securities from taxation in Canada is in the issuance of bonds by the provinces that are free from the provincial succession duties. In the smaller provinces,—that is, smaller in population,—the number of wealthy men is very limited, and the disadvantages of succession duty-free bonds have not become apparent as yet. In Ontario and Quebec, where inheritance taxes form a large part of the total provincial revenues and fees are on a very heavy basis, the effect of issuing such securities is to rob the province of a large revenue that would otherwise come from the bigger estates. Ontario has definitely declared its policy of issuing no more bonds free from succession duties, but in Quebec the government continues to give its bond issues this feature. Undoubtedly it makes them very attractive for sale in Canada and brings the prices to an excellent level, but it is questionable if the province gains in the end. It is likely over a term of eight years to lose many times the small premium this feature on the bonds may bring at the original sale.

Guarantee Bonds Will be Taken With Tenders

From Our Own Correspondent.

MONTREAL.—An opportunity for guarantee companies to aid contractors on municipal works for the City of Montreal is opened up by the decision of the city council to accept guarantee bonds in the future instead of deposits of cash from such contractors for the fulfillment of their obligations.

Henceforth, instead of making deposits in cash or by means of accepted cheques, contractors will be permitted to attach to their tenders for public works a guarantee from a legally constituted company and representing 50 per cent. of the price asked for in such tender.

M. J. O'Brien, Limited, operators of the O'Brien Mine at Cobalt, and the Miller Lake-O'Brien Mine in Gowganda, has secured a large acreage of new goldfields in Northwestern Quebec.

BOND MOVEMENTS OF THE WEEK

Week Ending April 10

BONDS—	Int. Rate	Due Year	Yield	1922 Range High	1922 Low	Range 1923 High	Range 1923 Low	Latest Ask	Latest Bid	Price Week High	End Low
Asbestos	5	1942	6.03	100	76	88¾	87½	88	—	88	87½
Bell Telephone	5	1925	5.15	98	94	99¾	97¼	100¼	99¼	99½	99¼
Can. Bread	6	1941	6.02	99	88½	100	96	100	99	99⅞	—
Can. Cement	6	1929	5.78	100½	94	101¼	100	—	100½	101¼	—
Can. Locomotive	6	1951	6.07	100¼	99	99	96½	—	97	99	98
Ced. Rapids	5	1953	5.30	97½	93	96½	95	96	94	95½	95
Dom. Textile (C)	6	1925	6.00	101	97½	100½	100	—	100¼	100	—
Elect. Develop.	5	1933	5.15	96	94½	98¾	98	—	98¼	98¾	98
Montreal Power	4½	1932	5.27	93½	91½	94⅛	92	—	94⅛	94⅛	—
Montreal Trams	5	1941	5.77	93½	87½	92	89¼	91¼	90⅝	91¼	90½
N. S. Steel	5	1959	5.70	90	78½	92	87½	90	88½	89	—
Penmans	6	1926	6.85	94¾	90	97	93¾	—	96	97	—
Quebec Rly.	5	1939	7.57	87¼	63½	78	69	—	75	76½	75½
Wayagamack	6	1951	7.25	88¾	71¾	85	80½	—	85½	85	84⅝
War Loan	5	1925	4.75	96.30	96.10	100.90	99.10	—	100.70	100.90	100.60
Do.	5	1931	4.80	99.90	96.25	101.80	99.80	101.60	101.35	101.60	101.35
Do.	5	1937	4.75	101.50	99.50	103.30	101.25	103.00	102.80	103.00	102.75
Victory	5½	1923	5.19	100.70	98.75	100.95	100.25	100.60	100.30	100.55	100.25
Do.	5½	1924	5.10	100.75	98.00	101.40	100.25	100.90	100.75	100.80	100.60
Do.	5½	1927	4.76	102.70	99.75	103.50	102.35	103.60	103.25	103.50	103.10
Do.	5½	1933	4.81	104.35	101.25	106.70	104.40	106.10	105.80	106.10	105.85
Do.	5½	1934	5.17	101.45	98.80	103.90	101.30	103.05	102.00	103.20	102.80
Do.	5½	1937	4.76	106.25	103.00	108.40	106.50	108.10	107.85	108.05	107.80
Do., renewal	5½	1927	5.10	101.10	99.40	102.80	101.00	—	101.75	101.90	101.50
Do., renewal	5½	1932	5.20	101.10	99.70	103.00	101.00	—	102.00	102.00	101.00

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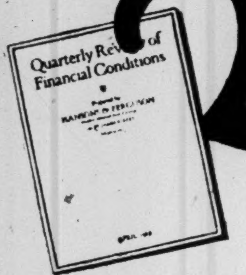

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CIVIC AND PROVINCIAL FINANCE

EQUALIZATION OF ASSESSMENT FOUND DIFFICULT IN SASK.

Postponement of Scheme Before Legislative Committee Recommended

Opposition to any increase from the former total of $2,000,000 imposed by the province of Saskatchewan by way of public revenue tax was voiced by G. D. Mackie, president of the Saskatchewan Union of Municipalities, before the legislative committee on municipal law at Regina. The public revenue tax is imposed by some provincial governments in place of a provincial income tax. It is levied on the municipalities as a rate on the assessment of these. The chief difficulty which naturally arises is in adjusting the assessments to a common basis.

In Saskatchewan a movement has been on foot to enact legislation equalizing the assessment. For this purpose the Saskatchewan assessment commission was appointed. The commission took the 1921 assessment of the rural municipalities, amounting to $879,000,000, to represent 78 per cent. of the whole assessment of the province. From this the total assessment of the province was determined and the share of the cities, towns, villages and unorganized territories arrived at. It is admitted that the practice of taking the rural municipalities as a base tended to raise the total assessment.

It is possible that the commission's work may have far-reaching results. These will be of particular interest to all investors in either western bonds or mortgages. The task of the commission was to equalize the assessments of 1,080 municipalities. There are two phases of the commission's position which may detract from the value of their findings—lack of time to properly investigate the conditions concerning each municipality under consideration, and the fact that the commission's purpose is to determine the assessments suitable for the purposes of the public revenue tax. As pointed out by J. J. Smith, a member of the commission, the population had to be taken into account. Thus the assessment in Regina, for instance, may be placed at a higher figure than is otherwise justified, because the greater population merits a heavier levy of the tax in question. Provided this danger were avoided, the work of the commission might be a source of accurate information for investors who have large sums at stake in the province. The difficulty at present is to arrive at any clear idea of the relation of the assessed value to real value. Any advantages of this nature would redound to the benefit of the province in the increased certainty regarding its affairs.

In Alberta and Manitoba the governments adopted the policy of making the municipalities directly responsible for the public revenue tax. In these provinces the municipalities have to pay the tax whether they are able to collect it or not. In Saskatchewan, if the municipalities cannot collect the tax from certain quarters, they are relieved from paying it.

The commission has found its task so big for the time at its disposal and the variations in the assessments of the municipalities so wide that Commissioner Mackie has recommended the postponement of the scheme.

SWIFT CURRENT SUPERVISORS MEET

The board of supervisors of Swift Current, consisting of R. M. MacCaul, of the Canadian Bank of Commerce, appointed as chairman; L. A. Winter, of Toronto, and W. R. McConnell, of Regina, representing the debenture holders; F. E. West and C. E. Bothwell, representing the city, held its first meeting in March. A complete report of its deliberations was presented to the city council and accepted without dissent. The board made several recommendations designed toward more systematic financing and these were adopted by the city council. The sum of $25,000 was placed in a contingent reserve fund, $27,000 in a general fund to replace necessary machinery and equipment and $17,000 in the interest trust account. These are the first steps of the supervisors in placing the city's finances on a sound basis.

West's Debenture Debt Default is $9,105,723

Amount of debenture debt in default in provinces of Western Canada at end of 1922 was given as $9,105,723 at annual meeting of Dominion Mortgage & Investments Association. Of this, $7,024,223 was in Saskatchewan; $1,555,000 in Alberta and $566,500 in British Columbia.

This total applied to cities and towns and included general and school debts. In addition there were telephone company, school district, village and rural municipality debentures in arrears, but the bulk of these are considered to be temporary.

BID WAS MISSED

In the statement of tenders on the $20,000 issue of North Bay bonds the bid of 99.50 by Mackay-Mackay was omitted.

A CURIOUS BOND

A subscriber brings in a $1,000 bond dated 1865, issued by the Bleecker Street & Fulton Ferry Railroad Co., a crosstown line not over two miles in length and the last horse car line in New York. Its western terminus was the North river; its eastern terminus Fulton Ferry on the East river.

The bond is signed by Jacob Sharp, president, and is carrying its third set of coupons, having been twice extended from its maturity in 1880. Present maturity date is 1950. Up to 1900 the interest was 7% and though the street railway property and ferry have long been abandoned the bond is still "going" at 4% and is an underlying lien of the New York Railways.

It has paid $3,330 in direct interest. Allowing 5% on the interest payments, the investment would have returned almost $25,000.—Boston News Bureau.

HOW FINANCES OF PROVINCE OPERATE

Interesting Views Are Expressed by Manitoba Treasurer

Some points touching on the financial operations of a provincial government were made by Hon. F. M. Black, provincial treasurer of Manitoba, in his budget address and are reproduced below:

"The Government of the Province, in its financial capacity, operates not unlike an ordinary corporation which has a well-defined sphere of activity but which possesses powers of a holding company or holding corporation. Certain of the provincial activities are in a sense subsidiary companies, of which it might be said that the parent company has the entire control.

"The Provincial Government also operates as a trustee; that is, it performs many duties which may ordinarily be classed as belonging to a trust company. Such activities are maintained and shown entirely separate and distinct from its other functions. The credit of the entire Province is behind all transactions in this sphere.

"As an operating concern, the Government owns and administers certain buildings and activities therein. The values embraced in the ownership are shown in the capital assets. The results of activities carried on and related to these assets are in the current balance sheet, the activities themselves more particularly in the statement of revenue and expenditure. For instance, the cost of the Parliament Buildings appears in the capital balance sheet, the cost of upkeep among the expenditures. Similarly the value of the Agricultural College appears in the capital balance sheet and its activities under both receipts and expenditures.

"However, there is one great and essential difference between a Provincial Government and a financial or commercial company, in that no capital stock has been subscribed by the taxpayers, as contrasted with contributions from shareholders in a commercial company. If the Provincial Government desires to embark upon an undertaking of a specific nature, whether a building or improvement programme, it must first of all secure authority from the legislature and then must borrow money specially ear-marked for the purposes mentioned. Thus for every asset there is usually a corresponding liability. In the case of the Province of Manitoba, however, the capital balance sheet shows a surplus of some $16,000,000. This apparently has arisen from the acquisition or construction of capital assets for which, during the earlier years of the province, funds were secured from the sale of such natural resources as were then its property, or through financial adjustment with the Dominion Government."

Tenders and By-Laws

TENDERS WANTED

April 16, Lachine.—$12,000, 5½%, 30-year school bonds.

April 19, Regina.—$389,414, 5½%, 5 to 30-year debentures. Jno. E. Snowball, City Treasurer. (See announcement on page 16).

April 16, Megantic.—$125,000 debentures.

April 16, North Vancouver.—$88,000 5½ and 6% debentures. R. F. Archibald, City Clerk.

April 17, Verdun, Que.—$250,000, 5½ per cent., 40-year school debentures. Oscar De Guise, Sec.-Treas.

April 16, Consumers' Gas Co.—1,389 shares of capital stock, having a par value of $139,900. Consumers' Gas Co., Arthur Hewitt, General Manager.

April 14, Village of Cannington.—$5,944, 5½ per cent., 20-ins. debentures. Wm. A. Robinson, clerk, Cannington.

BY-LAWS TO BE VOTED ON

April 14, Woodlea R. M., Man.—$40,000, 6%, 15-instal. debentures.

BY-LAWS PASSED OR DEFEATED

Elmira.—$20,000 guarantee for the Superior Pistons Co., defeated by the ratepayers on April 9.

SASKATCHEWAN

List of authorizations granted by the Local Government Board, from March 17 to March 31, 1923.

Schools.—Franklin, $1,000; Evesham. $1,000; Mount Everest, $3,000; Heiberg, $1,000; Orolow, $1,300; Lilyvale, $1,500; Osler, $1,500; Pinto Valley, $10,000; Lacadena, $4,000; Harris Village, $10,000; North Star, $1,000.

Debentures reported sold from March 17 to March 31, 1923.

Schools.—Elk Range, $1,500, 10-years, 7¼%, Regina Brkge. & Investment Co.; Warminster, $1,000, 10-years, 7%, Sutherland Sinking Fund; Wheaton, $3,000, 10-years, 7%, Cross & Co., Regina; Salamis, $3,000, 10-years, 8%, Regina Brkge. & Investment Co.

Telephones.—Alsask, $500, 10-years, 7½%, Cross & Co., Regina.

ALBERTA DEFICIT WILL BE MILLION FOR PRESENT YEAR

Reduction Will be Nearly Million Compared With Last Year

From Our Own Correspondent.

EDMONTON.—The best that is in sight for Alberta in the way of Government financing for the next year is a reduction of the deficit. There will still be a shortage of about $1,000,000, it is estimated, as between the province's revenue and expenditures, but this will be a considerable improvement over the figures for 1922, which showed a deficit of $1,910,302. Like all the other provinces, Alberta is finding it hard to make both ends meet, and it has been found necessary both to put on some new taxes and to retrench on the public services. It is proposed to reduce the departmental expenditures by approximately $675,000, and nearly all branches of the Government will share in this cut.

Something over a half-million dollars of new revenue will be brought in, it is expected, by the additional taxation, which notwithstanding Premier Greenfield's aversion to further levies of the kind, has been found unavoidable. There are proposed under this head a provincial tax on mineral leases, from which alone $300,000 is estimated, a tax on soft drinks, advances in succession duties, and a tax on slot gambling machines.

The Government claims that it has not been extravagant, that it has now set its hand to a drastic policy of economy, and that the province has turned the corner, with reasonable certainty of the annual deficits declining from now on until they have entirely disappeared. On this ground the Legislature turned down a suggestion that a committee of the house be appointed to make a thorough probe of the budget estimates and reduce the departmental appropriation so as to bring down the million-dollar deficit to considerably smaller figures. Reductions already proposed are as great, the Government says, as can be safely made, and, in fact, there are already objections from some of the districts where the retrenchment will be most directly felt. One of the criticisms of the Government that will not down is the high salary list it is now running, ranging from $3,000 to $7,200, together with the members' sessional indemnity of $2,000. Here, it is claimed, is a very good opportunity for further savings.

WEST KOOTENAY TO RAISE $2,000,000

Money Required to Finance New Power Producing Plant in B.C.

From Our Own Correspondent.

MONTREAL.—Plans of the West Kootenay Power Co. call for the doubling of its power output. This company is a subsidiary of the Consolidated Mining and Smelting Co. and operates in southern British Columbia.

Due to increasing demand for power, particularly with the prospective announcement of operations of the Canada Copper Company at Allenby by the Granby Company, the company is planning for a large increase in its power developments at Bonnington Falls on the Kootenay River. The present developed h.p. is 30,000, and it is planned to bring this up to 60,000 h.p.

Shareholders of the Consolidated Mining Co. will be asked at the annual meeting on April 17th to guarantee $2,000,000 of bonds of West Kootenay Power Co., and these will be issued to provide the funds for the plant expansion.

At the same meeting the shareholders of the smelters will be asked to formally authorize the issue of $7,500,000 of 20 years 7 per cent. convertible debentures, a large part of which were disposed of during the past year.

UNLISTED BONDS

	Bid	Asked
Abitibi Gen Mtge. 6's 1940	96¼	96¾
Algoma Steel 5's 1962	48	50
Amer. Sales Book 6's 1927	..	100
Ash. Hardware 5 p.c. 1928	89	..
Brompton P. & P. 7% 1941	108	..
Canada Salt 7's 1941	99	102
Wm. Davies 6's 1926	104	.
Dom. Iron Steel 5's 1939	80	81
Dunlop Tire 6's 1927	98½	..
Dom. Sewer Pipe, 6's 1927	93	..
Dom. Mfg. 6's 1927	82	87
Eastern Car 6's 1952	93¼	..
Gord. Iron & Fare 6's 1927	..	45
Harris Abattoir 6's 1928	99	
H. Smith Paper 7% 1941	100¼	101¼
King Ed. Hotel 7's 1933	86	88
K. & S. Tire 7's 1935	78	83
L. Superior Paper 6's 1941	103	..
Marcus Lowe's 8% Notes	..	96
Mattagami Pulp 6's 1937	62	..
Mattagami Pulp 7% Deb.	35	87
Morrow Screw 6's 1931	84	..
Man Power 7's 1941	99	101
Neilson's Wm. 6's 1933	96	..
N. S. Steel 6% Deb.	89	91
Stan. Clay Pro. 6% 1942	..	90
Western Power 5's 1949	85	87
Whalen Pulp 7% Deb. 1932	60	63
Burns P. 1st Mtge. 6's 1924	104	..
Simpson Robt. 5's 1952	85	.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
April 7	Toronto Township	Wood, Gundy & Co.	5½%	30-ins.	$40,000	102.24	5.30
April 7	Twp. of East Flamboro'	Dyment, Anderson & Co.	5½%	10-ins.	25,000	100.14	5.47
April 6	Burlington	Municipal Bankers Corp.	5½%	30-ins.	29,995	101.012	5.41
March 31	Sask. Schools & Phones	Various			8,500		
		PROVINCIAL					
April 10	Alberta	Dominion Securities Corp. (sold in New York)	5 %	20-yrs.	3,000,000	94.273	5.30
		CORPORATION					
April 11	Drummond Investment Co.	Royal Securities & Syndicate	6½%	15-yrs.	2,000,000	99.	6.60

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At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.

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Incorporated
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(ESTABLISHED 1901)
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8% Cumulative Class "A" Preferred Shares
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Sales in 1922 increased over 47 per cent. and earnings over 72 per cent.
Dividends paid regularly on preferred shares, and common now paying $1.00 per year.
Chain stores have proven an exceptionally profitable investment, and we strongly recommend these securities.
A special circular we have prepared will be mailed upon request.

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100 Loew's London Common
50 Loew's London Preferred
150 Loew's Buffalo Common
25 Loew's Buffalo Preferred
200 K. & S. Common
10,000 Canadian Associated Goldfields
75 Durant Motors

WE WILL SELL
75 Loew's London Common
25 Loew's London Preferred
100 Loew's Buffalo Common
25 Loew's Buffalo Preferred
300 K. & S. Common
50 Durant Motors
5,000 Canadian Associated Goldfields

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Assurances in Force - $630,000,000
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Favorable mortality, decreased expense rate, and a high interest rate on investments combined last year to produce surplus earnings of
$3,040,273.98
A result unprecedented. After providing for all liabilities on a reserve basis higher than called for by the statutes and after putting aside a special investment reserve of $611,776.34, there remains a general surplus fund of
$6,603,718.60
Every dollar of which is the property of the policyholders and will be used for their exclusive benefit.
Assets $53,605,630. December 31st, 1922. Assurances $246,486,654.

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EDUCATION OF MANY HANDLED BY INSURANCE POLICY

Young Man With Family Should Look Into This Early

Among persons of middle life one often encounters the man with a young family, whose needs for the future are often a source of great anxiety, particularly with regard to the costs of suitable education. If the father has always been of a provident nature, and was wise enough to effect life insurance in his youth, it is possible that his difficulties will not be great. His existing cover may be adequate in case of death, he will be paying a comparatively low rate of premium, and he may thus have a sufficient margin of income to look forward to education expenses with equanimity. In other circumstances, however, the future may seem heavy, and it is desirable that the expenses should be spread over a larger number of years than would be covered by the ordinary education period. This can be done effectively by insurance, and there are several schemes offered by life offices for the purpose. An ordinary short-term endowment assurance, or a series of such policies, or one policy payable by instalments over a number of years, might meet the need. The premium in such case would, however, be heavy, as the assurance would be payable, not at the end of the term of years only, but on the death of the father, should that occur during the term. A better form of policy is one payable by instalments over a series of years if the child be alive. Here the payment is not dependent upon the father's death, and is not an assurance on his life, but more of the nature of a fixed-term endowment. The premiums may, however, be made payable only during the father's life, thereby enabling him to make full provision for his child's education whether he lives or not. On the other hand, one disadvantage of this form in practice, compared with an endowment assurance on the father's life, is that in the event of the child's death the father has no option of continuing the policy for any other object, and is bound to take the death benefit, which is usually a return of the premiums paid, with or without interest.

Helps Business

Another object of life insurance is in connection with financial or business enterprises. An argument frequently used by a business man is that he can employ his money to better advantage by using it as capital in his business than by paying life premiums. There will, of course, be some instances where such an advantage does exist, but there are also many others where the existence of a life policy will prove a greater asset than possession of the amount of money expended in premiums. A man's ability or personality may be such that the continued prosperity of his firm may be said to depend upon his existence. In such a case, an assurance on his life is equivalent to protecting the business and making it a valuable asset. Or, again, a man may require additional capital to develop his business. If he approaches a bank or other financial house, and is able to lodge a life policy as additional security, he will generally find that he will be able to obtain an advance more easily and for a greater amount than he could do without such cover, and that the increase would be out of all proportion to the cash value of the policy or the sum expended in premiums. The actual form of policy required for a purpose of this kind will, of course, depend upon the circumstances of the particular case. An existing whole-life or endowment assurance would, of course, be acceptable, but in the absence of such a policy it would very often be sufficient to effect a term assurance, which could be done at a very low rate of premium. Special forms of policy, such as contingent assurances, are often issued in connection with loans on revisionary interests, but we need not concern ourselves with these in detail.

As An Investment

There remains for consideration the question of a life policy as an investment, and a comparison of the results obtained with those realized by first-class securities. It will be readily agreed that the result in any particular case will depend upon the term during which the policy is in force before the sum assured is paid, and for this reason we do not propose to go into elaborate numerical examples. The easiest method of comparison is to point out the essential differences between the two forms of investment or saving, and we would first of all draw attention to the fallaey which so often exists in comparing the results which will be attained at the end of the term only, say, of an endowment assurance. Such a course overlooks entirely the primary feature of a life policy, which is the provision of cover during the term, the sum assured being payable upon death at any time during the term. If comparison is to be made only with the result at the end of, say, 20 years, the contract to be compared with an ordinary investment is not a life policy at all, but an endowment for a fixed term. If, for example, it were found that the life premiums would provide the sum assured at the end of the term by accumulation at three per cent. compound interest, it would be unfair to say that the contract proved a worse investment than a security which yielded four per cent. interest. Had death occurred in the first few years the policy would have yielded a good many hundreds per cent. Let us assume that 20 people of identical age each effect a 20-year endowment assurance at the same premium, and that one death occurs each year. We could then work out the return yielded by each policy, one for each year of the term, and we should find that such returns were very large in the early years, decreasing rapidly as the term increased, and that it would not be till nearly the end of the term that the return yielded became less than that of a first-class security. The exact figures of such a comparison would, of course, depend upon the original term of the assurance, the age of the life assured, and, consequently, the rate of premium charged. This question is simply another form of our original statement, that life assurance depends upon the mutual agreement to pay premiums in order to provide benefits, and is thus distinct from an ordinary investment, which is an individualistic transaction.

Delay in Buying Policy is Calamity

The agent should have a ready answer to the man who says: "I am in good health and don't need life insurance;" or the other one who says, "Come and see me next year"—the well-known procrastinator.

Both of these need insurance, and if they have families, ten chances to one the monthly income policy is the form of protection best suited to their needs. The man presently in good health should be reminded that he has no lease of life for any certain time. Acute forms of disease and accident carry off the robust as well as the infirm. An amazing number die every year within a few weeks or even days after having passed the medical examiner as first-class "risks." Such a man is trifling with the future of all his dependents, and if he lives may become uninsurable before he sees his mistake. The "come-and-see-me-next-year" man lays himself open to the same arguments against dangerous delays. This man usually admits life insurance is a good thing, but ignores the uncertainty of health or life itself; also the increased cost which every year's delay means. He promises his application "next year," but his family needs protection now as much as they ever will. Point out the awful responsibility of leaving his family absolutely without protection in the event of his death, and urge him to do it now and make uncertainty certain.

CANADIAN NEW HEAD OF ZENITH COMPANY

Many Shareholders in Canada Interested; Canadian Directors Control New Board

As reported last week in THE FINANCIAL POST a reorganization of the board of the Zenith Company has taken place, resulting in the election of L. M. Fingard as president. The Canadian directors, who now form a majority on the board, are Lieut.-Col. Dan McLean, Winnipeg, Dr. A. L. McLaughlin, Carman, Man., and J. D. Martin, barrister, Regina.

The phase of the Zenith operations which affects Canadians most is in connection with the Merchants Casualty Company of Canada. It is stated that 80 per cent. of the Zenith business came from this company, which has its head office in Winnipeg and operates branches extending from Newfoundland to Victoria. The concern has 2,000 shareholders in Canada, representing an investment of approximately $1,000,000.

For some time dissension has been rampant among the shareholders, and charges of gross mismanagement culminated in the resignation of S. D. Works and P. O. Works from the board. It is estimated that the reorganization will result in a saving to the shareholders of $30,000 or $40,000 per annum in alleged excessive salaries paid to the resigned directors.

The Union Fire & Casualty Company, which recently made an assignment in Winnipeg, is controlled by the Zenith Company.

Intending purchasers of stock in holding companies of this sort would do well to make a full investigation of the details involved. The fact that several companies are controlled opens up possibilities for manipulation. It is always possible that the profits of individual companies, which would stand well alone, are used to bolster up other companies in the group which are not in so fortunate a position.

INSURANCE LOWERS TAXES

Balance From Soldiers' Plan Used to Reduce Payments

An unusual source of revenue has been found in the city of London, Ontario, during the present year in the proceeds of the insurance plan covering its soldiers during the war. In the early war years the city issued debentures totalling $118,000 for soldier insurance, covering the lives of enlisted men for $1,000 each. This was later reduced to $500 on each.

The insurance rate was necessarily heavy, so in 1916 the city decided to carry the insurance itself and raise the amount estimated as necessary by taxation. During the years 1916 to 1918, $170,300 was raised, and 386 claims for a total of $96,500 were paid, leaving a balance of $73,800. With interest this amounts to $103,000 at the present time.

The bonds issued previously for soldier insurance were held in a bank for security for a loan. Consequently the balance of the latter fund is available and nearly sufficient to wipe out the debentures. Thus over $10,000 a year in interest payments for the next twenty years is avoided and the tax requirements proportionately reduced.

NO LOSS TO NIAGARA LIFE POLICYHOLDERS

Outstanding Policies Reinsured Illustrates Security Behind Life Insurance

The high degree of security found in life insurance, even though the officials of any particular company may be dishonest, is illustrated in the failure of the Niagara Life Insurance Company of Buffalo. The company's capital was wiped out and its reserve impaired by the operations of a man named Marcino. At the time of the failure the company had about $10,000,000 life, accident and health insurance outstanding. This is being reinsured by the Metropolitan Life Insurance Company, and in this way heavy losses to policyholders are avoided. It is a well-known fact that all companies in Canada and the United States maintain reserves as security for the policies outstanding. Even though these reserves are impaired, it is usually possible to persuade some company to take over the business. To secure new insurance is costly in any case. Consequently any company may well use the money ordinarily spent on securing new business in building up the impaired reserves on business handed over to it at little or no cost.

In Canada we have an additional factor which makes the position of the policyholder more secure—a rigid system of government inspection is followed which has, since its inception, proved an adequate barrier to unsound practices in insurance investments.

NEW LIFE COMPANIES STEADILY APPEARING

Great Increase in Volume of Business Being Written is the Reason

Following the great increase in the volume of life insurance transacted in the years preceding and including 1920, several new companies have been organized. In October, 1920, the Ontario Equitable Life & Accident Insurance Company was organized at Waterloo. The company reported a good reception of its stock in a surprisingly short time.

In June, 1922, another company, the Commonwealth Life & Accident Insurance Company, was organized at Hamilton, Ontario. It is understood that a large part of the company's stock was subscribed for shortly after incorporation and that part of the balance is now offered to the public.

Later in the year the Empire Life Insurance Company was organized with its head office in Toronto. The company has placed a large part of its stock and a considerable volume of insurance. Another block of the stock is now being offered.

The Maritime Life Assurance Company is now being organized at Halifax, N. S. The stock has been offered in Nova Scotia and it is understood the offering will be extended shortly to other parts of Canada.

The stock in each of these companies is offered at a premium and nominal calls are being made on the principal. Their progress, competing with old established companies, will be carefully watched by financial men.

FIRE HALL STARTED FIRE

Responsibility for the fire at Coquitlam, B. C., on August 5, 1920, has finally been placed on the municipality. The fire destroyed a large part of the business section of the city. Fire Marshal Thomas decided that the fire started in the municipal fire hall through a defective flue. Protracted litigation, involving two trials and two appeals, followed. The decision now given determines the claims of several property owners, totalling nearly $70,000.

It is a matter of common law that anyone holding property in such a condition that a special, yet avoidable, fire hazard results, may be liable for damage caused to adjoining property. Some attempts at legislation covering this have been made, a property liability act now being considered by the Ontario legislation.

Improved Outlook for Life Insurance

Commenting on the improvement in the outlook for life insurance, the Life Underwriters' News says:

"Life insurance is increasing in volume of its sales steadily month by month. We are indebted to the Life Insurance Sales Research Bureau for the following data, based on reports from 15 companies, which had 85.4% of the total business in force in Canada on January 1, 1922.

"For the first two months of 1923 compared to the first two months of 1922 we see that Nova Scotia is 125%, Manitoba 112%, British Columbia 110%, New Brunswick 104% and Ontario 101%. The other provinces, however, show decreases, although not to the same extent as in January. They also are picking up.

The United States shows an exceptionally prosperous condition for the same period, which condition foretells fairly accurately what Canada can expect to reap in increasing proportions in the months just ahead. Forty-three out of 49 of the separate states show increases of from one per cent. to as high as 7 per cent. for this February over February, 1922. The most encouraging thing is that it is New York State that shows the 70 per cent. increase, for it must be remembered that New York State on account of its extent, population and wealth is a pretty fair barometer of what one may expect from the whole country in time.

"At the end of January the United States showed an increase of 12% in life insurance production, while for the month of February the production compared to February, 1922, registered an increase of 15%—a good gain, bringing the increase for the two months period to 14. per cent."

British America Assurance Co.
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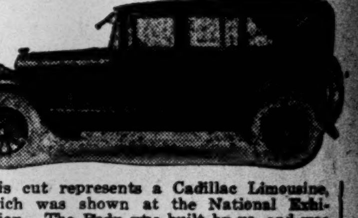

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WIVES FREQUENTLY BLOCK INSURANCE

Do Not Understand Benefits and Oppose Spending the Money

As has often been truly said, marriage is a partnership and the wife is the queen and conservator of the home—she makes it comfortable, beautiful, and cares for the physical well-being of her husband, and children if she has any. But, when the providing member dies, and die he must, the partnership is broken, and unless thrift and foresight provided insurance protection, too frequently family bankruptcy ensues. Helpless, lacking the information, for sentimental reasons a wife sometimes strenuously objects to her husband buying life insurance, which makes every marriage a solvent partnership, even after it is broken through death. In such cases it is the duty of the husband or insurance salesman to intelligently explain to her, and if unable to convince her, then the salesman should appeal to the husband's common sense to silently ignore his wife's foolish scruples in this matter, and make the necessary provision for his family—with or without her knowledge at the time. As a rule a wife raises no objection to her husband's insurance, but in nearly every case where the trouble is taken to make her fully understand it she strongly approves of it, not so much for her own sake as for the children's, where there is a family.

CECIL, APOSTLE OF LEAGUE OF NATIONS, FIGHTS FOR EUROPE

Declares That There Must Be No Further Wars

LEADS NO PARTY

Broke Up All Old Traditions and Associations — Now Represents Africa on League

By R. W. WILSON,
In New York Times Magazine.

The dispossessed—that is Robert Cecil's true title. It is only by courtesy that he is called "Lord" Robert; for of what is he lord, save of himself? By the pitiless practice of primogeniture, still prevailing in England, the younger brother in his father's home has but the slenderest portion wherewith to play the prodigal. His proud inheritance it is to be disinherited, and if the ancient estates are held together it is not for him. The family business of owning land is one in which he can never hope to be offered a partnership. He will receive a beggarly pension, but except for that the heir takes all.

This is what happened to Lord Robert Cecil, and it is the secret of his career. He is a noble, living in his own country, but always as an exile. All that surrounded him in youth—the Tudor mansion, the priceless pictures, the rich and sombre tapestries, the minstrels' gallery, the dark panels, the park, bounded by a wall out of whose stones many a village might be built; the lawns, the avenues, the broad and fertile acres—all this has been confiscated. The son of the great Marquis of Salisbury, a Prime Minister who proved himself more powerful at times than Gladstone, has to start from scratch, a briefless barrister—commonly called Bob—in dusty chambers, and has to try his luck in the courts like the rest.

No eyeglass for him; no lisp and no drawl; little yachting, hunting, shooting for him; what he has to do is to learn the law and win his cases. At Eton he was once a fag; at Oxford he was once a freshman; and in London also he had to face more formidable peers than most peers in the Gilded Chamber, for nowhere is there a fiercer competition than amid juniors who plead before the King's Bench. What if he did marry an Earl's daughter? That only made it the more imperative for him to earn a living worthy of the bride. Success became a matter of honor.

Nothing is more astonishing than the loyalty of these younger sons to the land from which they are driven. For the laws which turned him into the street, Cecil and a thousand like him display a reverence which, to the mere commoner, is inexplicable. A few of such victims turn against their caste and become Radicals. Some go so far as to hobnob with Labor. But Cecil continued, like his ancestors, a Tory. Neither for himself nor for his brother's tenants did he feel—or admit—any grievance. Not by a syllable did he suggest that anybody at Hatfield had ever had anything to put up with.

When there arose an unscrupulous demagogue—from Wales, of all places—called David Lloyd George, Robert Cecil defended his elder brother's land with a ferocity which almost led to murder. He did not merely argue. He did not merely denounce. From some depth of his subconsciousness there arose the instinct of his great ancestor, Lord Burghley, who dealt with inconvenient persons by the summary processes of legalized assassination. The Cecil set to work to silence the Celt. He evolved the Marconi scandal, which nearly served his purpose. His ingenuity was as exquisite as the Italian carvings amid which he was born and bred. It was poison, refined to an art. It was insinuation, polished like a gem. It was strangulation by cords of woven silk, Lloyd George and Rufus Isaacs were simply to vanish. Their budgets and land taxes would vanish with them.

No one who watched that committee room where Cecil sat, with his long thin fingers opening and closing as if they would choke some one or other, will ever forget the duel between him and two men, of whom one lived to be Lord Chief Justice, the British Ambassador at Washington and Viceroy of India, while the other lived to be Prime Minister for six of England's most perilous years. These men had been indiscreet. They should not have bought, they should not have sold those Marconi shares—not with enemies like the Cecils prowling around. But to any one who has examined the methods by which our old nobility made its fortune—the grants of common lands, the gerrymandered legislation, the plunder of the Church—there was a certain humor in the zeal with which the mote in the neighbor's eye was thus magnified. Lloyd George erred, but he escaped. These are not days, after all, when even a Cecil can execute a man for high treason merely because he is unpleasant.

Packed with prejudices and governed by his antipathies, as he was at that period, Cecil devoted his first years in Parliament to a gloomy and desperate defense of the old order against the new. For his church, for the House of Lords, for the ascendency in Ireland, for the squirearchy, he put up the last stand. There in his corner seat he sat with his chin gripped by his hand and his elbows digging into his knees, a veritable Mephistopheles in silk hat, glowering in impotent rage at each victory of the many over the few. He believed in women's suffrage. He also believed that most women would vote conservative. He stood by free trade. But otherwise he was the rising hope of the unbending Tory—a quite possible Prime Minister when the right personages returned to power.

In the anguish of those losing debates, which yielded home rule to Ireland and disestablished the best religion in Wales, Cecil's voice would rise to a veritable falsetto of indignation; with the profile of Savonarola and the shoulders of Atlas, he would spring from the posture of Rodkin's "Thinker," and, with pale countenance, pour forth argument, appeal, vituperation, only to retire afterward to the tea room, where the wildest Socialist found him a modest, courteous friend, gentle and considerate, broad of mind and tactful in tête-à-tête. He could lay aside his armour and sheathe his weapons. Keen and sometimes even brutal in tournament, he was at heart a very perfect knight.

But, amid all his sound and fury, he knew that the game was up. The people had their schools, their newspapers, their trade unions. The peers never again could rule. The merchants, not the land owners, had now the money, and for the aristocracy the only thing to do was to marry merchandise and so reconcile trade with civilization. The dissenters could not be suppressed—many attempts had failed—and it wouuld be best, perhaps, to make the best of a bad job and flatter them.

As the Baptists became richer they would cease to be ferocious and might join the church. Cecil thus set forth to stroke the tigers who had escaped his shotgun. He became the Philippe Egalité of the British Bourbons. Labor itself had not looser fitting clothes or ampler pockets for news papers. Cecil's tailors discovered that he desired to be, above all things, picturesque. His was an anatomy which could not be either padded or otherwise camouflaged. No man living is more fearfully and wonderfully made.

And then war! If there is one thing more than another that the Cecils have stood for, it is tranquility. They resolutely declined to upset either the rich man's cellar or the poor man's pub. Like Archbishop Magee, they have preferred England free to England sober. A war was to Robert Cecil an unpardonable blunder on the part of the governing classes. The Emperors and the Kings and the Dukes and the Counts and the Chancellors and all the paraphernalia of diplomacy were there for one supreme purpose, namely, to keep the peace. That was why the common people, who did not understand foreign affairs, paid for the ceremonial of those who did.

To Cecil the war was a dreadful betrayal of the innocent and the illiterate. For his class, he made no excuses. He simply said to himself that, for the rest of his days, he would walk softly. He would make reparation. He would say no more about wicked Liberals. He would no longer defend distressed landlords. He would recognize henceforth no interest save the interest of all mankind.

He preached no very exalted ideal. He uttered few slogans. He repented not in sackcloth and ashes, but rather in statecraft. He did penance in protocols and wore the Treaty of Versailles like a hair shirt! As a pilgrim he sought pardon at Geneva, and the League of Nations became to him the Via Dolorosa along which he must proceed, with pain and patience, to ultimate absolution, believing amid skepticism, cheerful amid the cynics, and humbling himself to comradeship with the least experienced Haitan—if indeed Haiti belongs to the League at all! Cecil became an early Christian apostle in the catacomb of the new faith in human brotherhood.

Of the Tribe of England—as St. Paul was of the Tribe of Benjamin—and an aristocrat of the aristocrats—all these things he counted but loss if by any means he might win the world's peace. What lonely vigils he devoted to Woodrow Wilson's abandoned offspring, what interminable discussions he endured, what disappointments he suffered, what opportunities of personal advancement he missed, can only be conjectured. But there has grown up for this strange man a curious and world-wide respect. He leads no party. He puts forth no pretensions. But his devotion, his industry, his experience, cannot be swept aside. It is a simple fact that to-day perhaps the biggest argument for the League of Nations is this spectacle of the ablest of the Cecils consecrating to it every tradition of his historic family.

From the outset he despaired of mere Europe. He knew too much of Europe's mentality to be an optimist. His one hope has been that, in Canning's phrase, the New World would be called in to restore the balance of the Old. In Cecil, as in his cousin, Balfour, there is not a suggestion of superiority to the occasional crudities of the countries to which belong the future. No men living have taken the United States more seriously. They see in this country an accumulating force which may be, for the moment, internationally latent, but is none the less a factor of all the more importance because it is as yet indeterminate. What is the United States to be? That is the question which all the world is asking. And no one can be wholly reassured as to the United States until that question is clearly answered.

On the League of Nations it is not Great Britain that Lord Robert Cecil represents. It is not for the British Government that he speaks. He is delegate for a self-governing dominion, the Union of South Africa. He is the mouthpiece of General Smuts. His platform, therefore, is not in Europe. As a statesman he has emigrated. In what he says there will be nothing brilliant, nothing sensational, but, on the other hand, there will be nothing shallow or insincere. Of foreign affairs the world over he knows as much as any living man. He was cradled in dispatch boxes and pillowed on blue books, and he acted during the war as Britain's Secretary of State for Foreign Affairs.

Where he differs from Clemenceau is not in sympathy with and admiration for France. In the House of Commons he has recently resisted the motion to make the League of Nations responsible for intervention in the Ruhr. He knows well to what perils that heroic course might subject the League. But whereas Clemenceau, in his cool and practical calculation, foresaw further wars, Cecil says—with a calculation not less cool and practical—that such wars simply must not be. I doubt if there is any British interest which he would elevate above Britain's interest in a perennial peace. He is not thinking of these things in terms of trade but of existence. Further wars mean to him the disappearance of Christendom.

In politics, as a Conservative, he once had the usual party axe to grind. All that is over and done with. Still a Conservative, he is in reality an independent, taking his own line; believing in Viscount Grey, but, even now, not so completely believing in Lloyd George; he is a man who leads no group, who frames no program; yet in this strange and chaotic time he is the kind of man whom a nation likes to have in reserve. Stranger things have happened than a call to Cecil to form a government. Beyond doubt, he is of the timber from which Prime Ministers are hewn.

Maritimes' Building Program Not Rushing

From Our Own Correspondent.

ST. JOHN, N. B.—Prospects for a busy season during the spring, summer and fall, are none too rosy as far as the maritime provinces are concerned. The housing problem is acute in most of the cities and St. John is one of the centres vitally affected by the lack of houses. Discouraging industrial conditions plus fear of exorbitant taxation, and high wages for labor, are the terrors lying in wait for builders in this section. Operations by several building companies have been curtailed.

BIG FUR TRADING HOUSE RE-FINANCED

Boston Funds Solve Difficulty of Northern Alberta Concern

From Our Own Correspondent.

EDMONTON.—A business reorganization of the Canadian Lamson & Hubbard Co., which recently assigned, has been successfully effected, and it is now announced that the firm will continue to operate as before. The Hart interests of Boston, which are largely concerned in the parent American company, have taken over the Canadian business and have made a new investment in it, sufficient to carry on with along the lines originally planned.

The Lamson & Hubbard company is one of the largest fur trading concerns in the Northwest and has been operating a string of thirteen or fourteen posts in the Mackenzie River country for the past few years, with headquarters in this city. It seems to have gone into this trade somewhat too heavily at the start, and for the past two years there has been frequent talk of its financial difficulties, culminating in a recent assignment. But it was always recognized that the company had a good proposition in the Northern fur trade, and with a fresh start under the present reorganization it is believed that it has excellent chances for winning out.

Arrangements are now being made for moving the new season's supplies into the North for the various posts on the Lamson & Hubbard chain. None of the posts will be closed down as was reported at the time of the assignment, and it is now announced that the business will be continued on quite as large a scale as heretofore. The reorganization of the company is regarded here as a good sign, and considerable gratification is expressed with the fact that the Boston interests have such confidence in the possibilities of the North country as to invest still further in their Canadian branch.

SELLS VACATION POLICY

A large insurance company is advertising a policy specially adapted to the use of sportsmen and vacationists. It pays $100 a week if you are totally disabled by accidental injury, for as long as such disability lasts. It pays $40 a week for partial disability (not necessarily confinement to the house) up to a limit of twenty-six weeks. It pays $80,000 for death, and certain serious injuries in the burning or wrecking of a passenger train or vessel, the burning of a hotel, and some other specified accidents. It pays $20,000 for death and these same injuries sustained in any other kind of an accident. It pays additional benefits in case surgical treatment or hospital confinement is necessary! No medical examination is necessary and the cost is only 25 cents a day.

EXPORT GOODS ESCAPE SALES TAX

Many Canadian exporters have been adding the sales tax to the invoices of the goods they export. The Department of Customs and Excise points out that this is not necessary, that excise taxes are not payable on goods exported. There is also provision for drawback of taxes paid on materials used, wrought into, or attached to articles exported.

GOLD OUTPUT DOWN

Northern Ontario produced $1,300,000 in March. This is below the recent high of $2,000,000 but is directly traceable to the power shortage.

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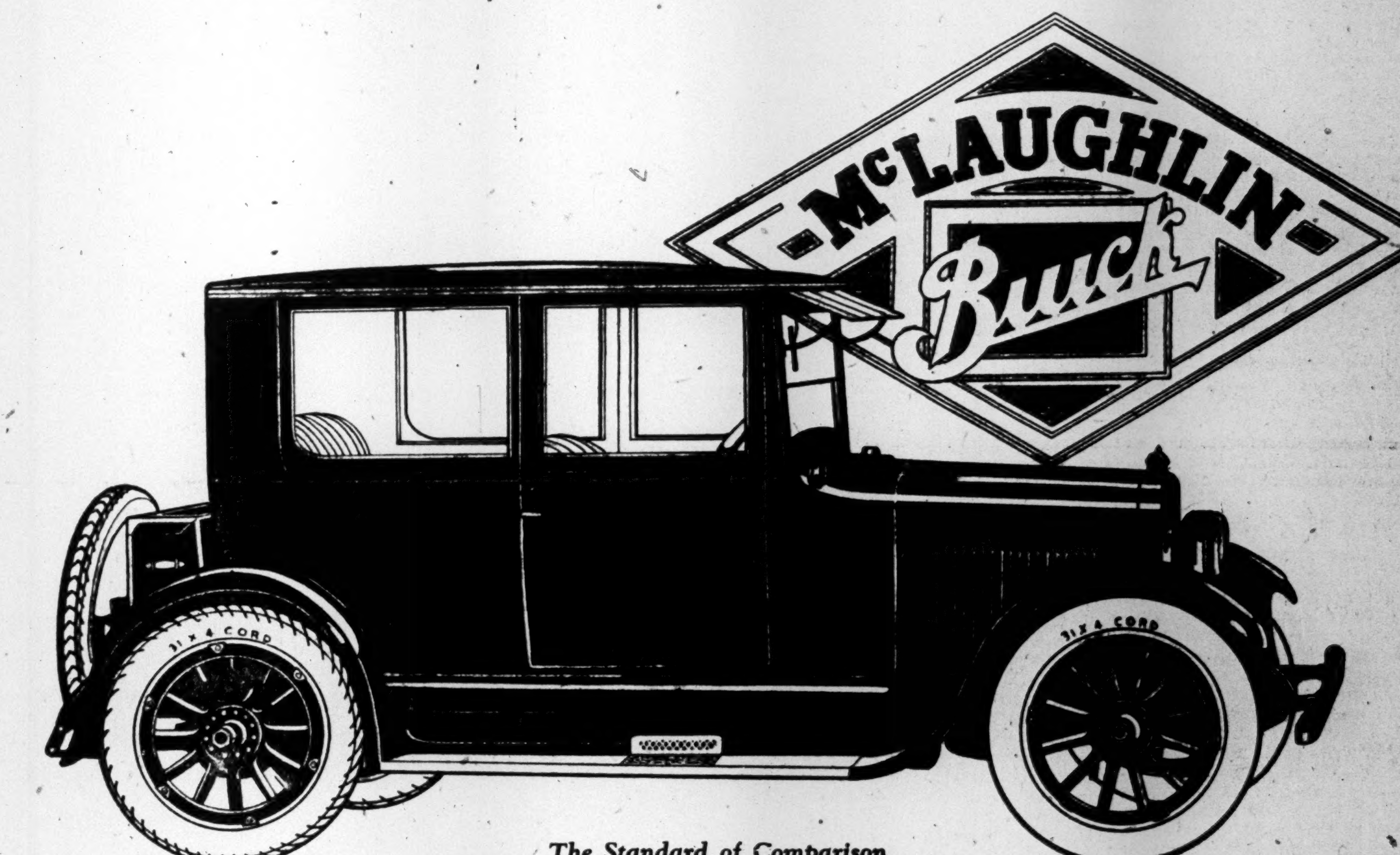
Issues Policies on 6 Plans, $500.00 to $10,000.00. Cash Surrender, Paid-Up and Extended Insurance values.

GOOD POSITION OPEN to man who can qualify as Superintendent in City of Toronto.

Apply to Jas. S. Green, 249-250 Confederation Life Bldg., TORONTO, ONT.



The Standard of Comparison

A QUALITY BUSINESS CAR AT A MODEST PRICE

Master-Four 23-38 Touring Sedan $1855

Especially Useful in Business

In addition to its smart appearance, the luggage trunk is useful for carrying business samples and literature, and shopping bundles as well as the baggage when touring.

For the business man who seeks a refined, handsome closed car for his work—one that provides complete protection in all weather—this McLaughlin-Buick, four-cylinder touring sedan meets every requirement.

The design of the beautifully finished Fisher-built body gives the intimacy of a coupe with the carrying capacity of the sedan, five full grown persons. The interior setting is harmonious and tasteful, with the proper atmosphere for the most formal motoring.

Provision for business samples, books and papers is made in the handsome trunk, carried outside on the rear and the trunk also provides luggage and bundle space for touring and shopping.

And the price of this fine closed car makes it a value without comparison.

Prices F.O.B. Oshawa—Government Tax Extra

Master Fours		Master Sixes	
23-35 Regular Touring	$1235	23-41 Touring Sedan	$2725
23-34 Special Roadster	1275	23-44 Special Roadster	1695
23-35 Special Touring	1295	23-45 Special Touring	1725
23-36 Coupe	1645	23-47 Sedan 5 Passenger	2795
23-37 Sedan 5 Passenger	1950	23-48 Coupe 4 Passenger	2675
23-38 Touring Sedan	1855	23-49 Special 7 Pass. Tour.	2095
		23-50 Sedan 7 Passenger	3095
		23-54 Special Sport Roadster	2295
		23-55 Special Sport Touring	2375

McLAUGHLIN MOTOR CAR CO. LIMITED

Subsidiary of General Motors of Canada, Limited, Oshawa, Ont.

Ask about our plan of deferred payments

12 Factory Branches from Coast to Coast—Dealers Everywhere

McLAUGHLIN-BUICK

M-2123

TAX PRODUCT OF MANUFACTURERS IS LATEST PROPOSAL

Abolition of Present Sales Tax Involved in the Plan

STOP ABSORPTION

Many Firms Forced to Take Heavy Losses. Government Loses and Public Pays

It has been announced from Ottawa that the Minister of Finance will close the door this week to further representations on taxation and tariff matters. The budget will follow quickly. In about two weeks is the expected time by business men who have been dealing with Ottawa.

Of not a little importance to industry are the views on the sales tax recently advanced by Charles W. Tinling, president and general manager of the National Drug and Chemical Co. of Canada. He has outlined his views in a couple of addresses, the latest being before the Canadian Manufacturers' Association at its Hamilton meeting.

Summarized, Mr. Tinling sets up the following views:

That contrary to the intention of the Government to the wording of the Sales Tax Act, all the Sales Tax paid on an article cannot be and is not passed on to be paid by the public who are the ultimate consumers.

That because of the wording and the operating of the Act some manufacturers and the majority of the wholesale and retail trade have been forced to absorb the greater part and in many instances the whole of the Sales Tax which has entailed losses aggregating, it is estimated, to about $80,000,000 for these three branches of the trade.

Details of the suggestion submitted to the Honorable Minister of Finance whereby the three branches of the trade would be put in a position to pass on the Sales Tax to the public or ulitimate consumer, thus avoiding further loss for the trade, and likewise producing additional Income Tax for the government.

Showing that the proposed plan, while not increasing the price of the goods to the public, will yet provide the government with many millions additional revenue.

The main drive of Mr. Tinling's argument is to prevent the absorption of the tax as is now the practice with some firms. At the offset he contends that the intention of the framers of the measure was that the tax should be passed on to the ultimate consumer.

Result an Injustice

The operation of the Sales Tax, however, has in the majority of instances, resulted in certain handlers of the goods being unable to pass on the tax, with the result that such section became losers by the tax they could not pass on, and consequently were having to pay an unjust taxation.

At the present time the three classes of trade, viz., the manufacturers, the wholesalers and the retailers, may be divided into camps. One camp consisting of those manufacturers who are passing on the entire tax to the next buyer, and those wholesalers who have been able to get the manufacturers to make an allowance equal to the sales tax that has to be charged on the invoice, and those few retailers who have been able to raise the retail selling price of the goods and thus collect the sales tax from the public. The number in this camp is small as compared to the number in the other camp.

The other camp consists of those manufacturers who are absorbing part or the whole of the sales tax instead of charging it forward, those wholesalers who are unable to pass on the whole or part of the sales tax they are paying, and those retailers who are unable to pass on the sales tax but have to sell their goods at prices which do not include the sales tax. The number in this second camp is very large.

While the rates of taxation may individually appear low yet the pyramiding of the tax on the same goods passing through various handlers means that by the time the goods reach the public a revenue has been paid to the government of not less than 12% on the value of the raw material. In many instances if the goods pass through more than three hands then the rate becomes higher.

Of the $189,000,000 collected from the sales tax a liberal estimate is that $40,000,000 has been paid by the manufacturers as sales tax on their purchases. Only a small proportion of this forty millions has not been passed on by the manufacturers in the price of their products. This leaves 149 million dollars that has been paid to the government by way of sales tax by the wholesale and retail trade of this country. The question is: What part of this $149,000,000 has been lost to the wholesale and retail trade because they have been unable through the wording of the Act and the force of conditions to pass on to the public as intended by the government?

Millions Involved

It is not known how many wholesalers of every kind are carrying on business in Canada but the number is quite large. An official letter from the Retail Merchants' Association of Canada states that their lists show that there are 180,000 of all classes of retail merchants in Canada. The question is: What is the average loss per retail store through absorption of the sales tax?

Investigation by thirty-four retail drug stores situated in Toronto, Hamilton and London, shows that the sales tax cost each of these stores in the year 1922 an average of $816.73. If you put the average loss made by each retail store in Canada in 1922 at the absurdly low rate of $125 per store, that means that in the year 1922 the retail trade of Canada lost, because they were unable to pass on the sales tax, a sum of at least $22,500,000.

It is known that several wholesalers in the year 1922 lost by forced absorption of sales tax in one instance over $45,000, and in another instance over $75,000. Some idea, therefore, can be formed of what the present sales tax is losing to the wholesale trade of Canada.

It is safe to say that of the remaining $149,000,000 collected by the government since the 1st May, 1920, that from 60 to 70 million dollars has been absorbed and lost to the wholesale and retail trade of all kinds in Canada and to this must be added the amount that has been absorbed by some manufacturers and consequently lost to them.

It is, therefore, fair to say that because of the wording of the Act, and business condition, certain manufacturers and the wholesale and retail trade have lost by way of taxation at least 80 million dollars while other manufacturers and certain wholesalers have been getting off scot-free of sales tax because the character of the merchandise they sell enabled them to pass on the tax.

Mr. Tinling submitted the following figures, showing the loss because of inability to pass on the sales tax:

	Estimated Tax Paid	Estimated Loss
Manufacturers ..	$40,000,000	$10,000,000
Wholesale and retail trade ..	149,000,000	70,000,000
Totals	$189,000,000	$80,000,000
Estimated loss to Government through loss of tax on this amount		$8,400,000

Class Legislation

Mr. Tinling then followed with the serious contention that to-day the act is class legislation and is not doing justice to a large portion of the trade, and a large portion of the retail and wholesale trade is being weakened financially. Also the government has lost materially as the tax has reduced profits and the government lost the income tax that it would have derived had the tax been passed on.

The speaker contended that it was to the interest of the government and country that these three sections of the trade be kept in the strongest financial position because the large proportion of the revenue of all kinds is collected through them. He contended that it was, therefore, but a matter of justice that the levying and collecting of the sales tax should be so arranged that it will be passed on to the public or ultimate consumer and the present class legislation removed.

Mr. Tinling revealed the fact that he does not hope for all to see eye to eye with him. He says that matters are at the point where certain manufacturers, the majority of wholesalers and the retail trade are taking active steps to try and get a change made so the original intention of the government can be carried out, viz., that the sales tax should be paid by the ultimate consumer, viz., the public, but on the other hand there are certain manufacturers and wholesalers who are willing to see the present conditions continue because they suffer no injury from the present system.

Then came the proposal, the method which the speaker would adopt to collect the tax from the fountain head. This would mean the abolition of the present tax and in its place he would adopt a special excise tax collected at the customs on importations by all others than licensed manufacturers and on the sales of all manufacturers other than those to licensed manufacturers. Thus licensed manufacturers are to have the privilege of getting all their raw material free of sales tax whether imported or purchased from other manufacturers in Canada and in return the manufacturers will pay the government an excise tax on all their sales other than those sales to licensed manufacturers or on exports.

It has been recommended that the manufacturers should be compelled to absorb in their selling price this special excise tax in the same way that they absorb customs duties or freight and should not be permitted to make a separate charge on their invoices for this excise tax.

How It Works Out

What rate should be charged and what would be the revenue, the speaker said, are the all-important questions. He suggests that the following tables which show the operation of the present Act and the operation of the proposal made to the government based on a similar rate of taxation to what the government is now getting, gives an answer. The figures are official. The first shows the cost of the manufacturers' raw material, the value added in manufacture, percentage of advance on the value of the raw material and the total, the manufacturers' selling price. It will be noted that the difference between the material cost and the selling price over 4 years averaged an advance of 53%.

The figures:

	No. of Mfgrs.	Material Cost	Mfgrs. Advance	% of Adv.
1917	34,392	$1,605,730,640	$1,409,847.300	87.8
1918	35,797	1,900,252,314	1,557,784.661	82.
1919	38,344	1,875,615,877	1,645,115.712	87.7
1920	42,406	2,189,227,028	1,830,144.841	83.6

By means of two tables Mr. Tinling shows the difference in placing the tax with a profit on the tax by the wholesalers and retailers and the other with a profit not on the tax. The net difference in the revenue to the government was small, the figures being: profit on tax, $119,616; without, $119,375 on the basis of $1,000,000 worth of goods.

On such a purchase of goods the manufacturer paying $22,500 tax would add costs of 85.3% or $1,894,692; sale to the wholesaler means 2¼% tax, or $42,629; his cost is $1,937,321; wholesaler's profit, 25%; selling price, $2,421,651. The tax to the retailer is $54,487, making his cost $2,476,138. The retailer adds 50% and the public pays $3,714,202. Total tax, $119,616 or 12% on th e$1,000,000 worth of goods.

Under the tax at the source there would be a 6% tax on the manufacturer's price to the wholesalers, netting $118,295.

Public Pays Less

Under Mr. Tinling's plan, taxation at the source, if the manufacturer got his raw material free of sales tax but was taxed 6% on his output, then the $1,000,000 of raw material plus the advanced 85.3% would make a value of $1,853,000 but this will have to be increased by .064% so that when the manufacturers pay the 6% on their output in the form of sales tax to the government then there will be left to the manufacturers the $1,853,000, consequently the selling value to the wholesalers would have to be fixed at $1,971,592. 6% on this amount would give the government a sales tax of $118,295 as against what they are realizing to-day on a similar amount of raw material, namely, $119,616.

When these goods are sold by the wholesalers they have to put on their profit, so that if an advance of 25% is put on then, the wholesalers' selling value would be $2,464,490, and to this cost value to the retailers there will have to be added 50% in order to get the retailers' selling value to the public, or $3,696,735.

On the basis of $1,000,000 of raw materials to the manufacturer under the suggested plan of taxing at the source or on the manufacturers' output, the public would pay a little less for the finished goods than they are paying to-day under the present system of sales taxation if the tax was in every instance passed on to the public at intended by the existing Act.

Having set up that a 6% tax on the manufacturers' selling value will produce as much revenue as the existing tax on a like amount of raw material, he proceeded to ascertain the revenue to the government if there was a 6% tax on the manufacturers' taxable sales. Under the tax-at-the-source plan, the manufacturer's raw material purchases would be free of sales tax. This would also lower the cost as against what it would be if he had to pay the tax. Besides the manufacturer would not be called on to pay a tax until he made a sale while under the present tax he must pay on the purchase of raw material.

Mr. Tinling expresses the opinion that his plan will increase the revenue to the government. He also proposes that sales for re-manufacture be not taxed. When the last manufacturer puts the final taxable value on them, there the tax will apply. Mr. Tinling also worked the tax out on a 7½% basis showing a tax on a $1,000,000 of materials at $150,232. He concluded by pointing out that the making of the manufacturer pay a tax on his output and not allowing the charging forward of any tax separately has the advantage of increasing the revenue; no increase in cost to the public; removing the present injustice to firms of all three classes now forced to absorb the tax; increase the income tax and reduce the cost of collecting the tax.

Pittman Act Silver Is Nearing an End

About 15,000,000 ounces of silver are yet to be delivered to the U. S. mint under the Pittman Act. Of this amount, orders for future delivery of 10,750,000 ounces have been placed. It will not be until late in the fall when the full delivery of these orders is made. This will ensure the U. S. production being kept off the market for three-quarters of the year at least.

Action of silver in the world's market has failed to make good the predictions of silver advocates a year or so ago that by the time purchase of silver by the U. S. Treasury under the Pittman Act had been completed the white metal would command at least $1 an ounce in the world market. Current price is about 31 cents below their expectations.

CUSTOM REVENUES ARE HIGHER; INCOME AND PROFITS DOWN

(Continued from page 1)

ness conditions are responsible for this change to some degree. Too much reliance must not be placed upon the figures as indicating a definite change in revenue sources. For the coming fiscal year the income tax and business profits tax are likely to show decided increases; if they do not, then it will be time to state that the business profits and income taxes are sucking the life blood of business. For the present though the explanation must lie in business conditions.

Their Relative Importance

Relative percentages received from various sources of revenue for three years past have been as follows:

Chief Sources of Revenue

	1923	1922	1921
Customs	30%	28%	36 %
Bus. Prof. Tax ..	9%	6%	8 %
Income Tax.	16%	21%	8½%
Inland Rev..	27%	19%	17 %

The comparative revenue and expenditure figures for two years past are here shown:

Ordinary Revenue

	Total to Mar. 31,1922	Total to Mar. 31,1923
Customs	$104,420,451	$118,275,803
Excise	36,581,356	35,367,430
Post Office ..	24,368,485	28,043,367
Public works, including railways and canals	1,629,345	1,139,337
War tax revenue:		
Inland rev..	72,628,564	102,794,069
B. prof. tax	22,680,383	12,374,823
Income tax	78,392,562	59,562,176
Ot. w. t. rev.	1,789,352	1,841,485
Oth. rev. ac.	29,388,953	25,191,641
Totals	$371,519,454	$384,790,131

Ordinary Expenditure

Interest on public debt.	$130,912,905	$13[illegible],926,595
Agriculture ..	5,176,504	[illegible],782,945
Pensions	33,372,713	30,099,445
Public works consolidated fund.	9,272,061	8,937,580
Post Office ..	23,684,349	23,342,985
Dm. lands and parks	3,782,694	3,963,430
Soldiers' land settlement .	2,024,921	1,638,159
Soldiers' civil reestablish..	15,339,040	11,766,828
Other exp ac.	101,193,177	89,243,576
Totals	$324,758,377	$307,731,559

DOMINION'S RIGHT TO ENACT COMBINE ACT QUESTIONED

Considerable Criticism of Latest Measure Introduced in Commons

PROTESTS TO OTTAWA

Ease With Which Probing May be Started is One Point That is Attacked

The Combines Investigation Act, recently introduced in the House of Commons by Premier King, is causing a great deal of concern and arousing no little criticism among business interests. The measure, with its varied proposals, is not as yet sufficiently understood by all to enable a wide discussion of its merits and demerits, but organizations such as the C. M. A. and the Retail Merchants' Association, have already placed themselves on record as in opposition.

The principal features of the measure are:

(a) A registrar to be appointed who of his own motion or on the written application of any resident in Canada of full age, may institute an enquiry into any alleged combine.

(b) "Combine" defined so as to include among numerous other things:

1. Fixing of common price or a resale price, etc.
2. Any agreement with a view to controlling manufacture, purchase, sale, etc., within any particular area.
3. Agreement for acquisition of any control over the whole or part of the business of any other person, etc.

(c) Report of enquiry to be made to Minister.

(d) Report to be published in Canada Gazette, and any newspaper which asks for it.

(e) Customs duty on any article may be removed or reduced if a combine is proved to exist in connection therewith.

(f) Any patent liable to be revoked if a patentee is shown guilty of unduly restraining or injuring trade in connection with invention.

(g) Minister may report facts as to any combine to the Attorney-General of any Province to take action thereon. If no action is taken in three months, the Solicitor-General of Canada "may permit an information to be laid.

(h) The penalties to which anyone "who is party or privy to or knowingly assists in the formation or operation of a combine," is liable, are $10,000 or two years in the case of an individual, and $25,000 in the case of a corporation.

(i) Trade Unions are not brought under the provisions of the Bill.

That the government is going out of its way to interfere with business; that it is providing loopholes whereby disgruntled persons may cause no end of trouble and confusion for business; that the government is going on the assumption that all trade combinations are bad and should be stopped, are some of the contentions set up in representations that have been made to Ottawa.

Particularly objectionable is said to be the ease in which the elaborate machinery of the act may be set in force. Any person in the Dominion over the age of 21, perhaps a disgruntled employee or a trade "enemy," can start a probe.

The registrar will have some discretion, but it is contended that such officials are frequently men of limited business knowledge. If he considers that there is some grounds for complaint, he may direct a full enquiry into the business of the concern. Then if he considers a combine exists, the minister may have the attorney-general of the province or solicitor-general launch criminal proceedings. Such an enquiry, termed by opponents of the measure a double-barrelled one, it is declared would cause expense, loss of time, disturbance of business and arouse possibly unfounded public suspicion. Even if a concern was exonerated in the end, it would suffer a considerable loss.

On the point that the assumption seems to have been that all trade combinations are bad, it is contended that there are good and legitimate combinations as well as bad and illegitimate. Good combinations are held to be a necessary and inevitable development. It is pointed out that in some countries governments encourage them for purposes of export. In this connection the report of the Committee on Trusts in England, 1919, is quoted as declaring that good combinations make for greater efficiency, elimination of waste, elimination of reckless undercutting, and trade wars, more stable and often lower prices to the consumer and better service to the consumer.

In the meantime it is being set up that the measure is in the same position as that of the Board of Commerce Act and the Combines and Fair Prices Act. That is, that the bill affects property and civil rights in the provinces and is, therefore, beyond the jurisdiction of the Dominion government. It is understood that some of the leading legal men of the Dominion have given advice to this effect.

The Retail Merchants' Association, through its secretary, E. M. Trowern, Ottawa, in a statement issued on the bill, says:

"As far as retail merchants are concerned, we want it distinctly understood that we have no objection to any sort of legislation that will destroy unfair combines or monopolies, but we do not want to be a party to putting a rope around the necks of all the decent, straighforward men in Canada, while we are endeavoring to help the government to catch a few thieves. It will be noticed that the object of the first part of the Bill is to throw specific government rules and regulations around what is commonly knows as 'trade and commerce."

CANADIAN PACIFIC

Earnings of the Canadian Pacific Railway for the first week of April amounting to $3,111,000 compared with $2,970,000 for the corresponding period in 1922, an increase of $141,000.

CITY OF REGINA

SASKATCHEWAN

5½% Debentures

$389,414.00

Sealed Tenders endorsed "Tenders for Debentures," addressed to the City Commissioners, will be received up to eleven o'clock A.M. Thursday, April Ninteenth, 1923, for the purchase of the following Sinking Fund Debentures:

LOCAL IMPROVEMENTS

Pavements	$73,800.00	—15 years	—Dated May 1st, 1923
Domestic Sewers	5,400.00	—30 "	" " "
Watermain Extensions	3,036.00	—30 "	" " "
Plank Walks	17,000.00	— 5 "	" " "
	$99,236.00		

REFERRED BY-LAWS

Waterworks Extension....... (Boggy Creek)	$ 26,402.00	—30 years	—Dated May 1st, 1923
Street Railway	24,000.00	—15 "	" " "
Waterworks Extension .... (No. 1 Power House)	49,214.00	—10 "	" " "
Waterhouse Con'tions & Meters	24,262.00	—20 "	" " "
Sewer House Connections	8,300.00	—30 "	" " "
Exhibition (water & sewer) ..	8,000.00	—20 "	" " "
Collegiate Institute	150,000.00	—30 "	" " "
	$290,178.00		

The issues under the heading Referred By-Laws are offered subject to the approval of the Burgesses. These By-Laws will be voted on on the 18th of April next.

Alternative Bids are requested—

(1st) On the basis of both Principal and Interest payable in New York, Montreal, Toronto or Regina, at holder's option.

(2nd) On the basis of both Principal and Interest payable in Montreal, Toronto or Regina, in Canadian Currency only.

Tenders for the above issue may be for the whole or any part of same.

The Bonds are a direct obligation of the city at large and are issued in coupon form with Interest payable Semi-Annually and Principal at date of maturity.

Provision is made for registration of Principal only.

The right is reserved to reject any or all proposals.

Further information will be furnished upon application to the undersigned.

JNO. E. SNOWBALL,
City Treasurer.

TELFER BISCUIT CO.
Limited

DIVIDEND NOTICE

Notice is hereby given that the regular quarterly dividend of two per cent. (2%) has been declared on the preferred stock of the Telfer Biscuit Co., Limited, for the quarter ending March 31st, 1923, payable to shareholders of record at the close of business, April 1st, 1923.

By order of the Board.
A. H. CUTTLE,
Secretary.

ONLY PORTION OF ALBERTA'S COAL WOULD SUIT EAST

(Continued from page 1)

Alberta coal could be had for $2.00 per ton is not familiar with conditions.

Under present working conditions, if a steady market could be developed, possibly this coal could be supplied at $4.00 net F.O.B. mine, if the coal were taken in the summer time; but all the mines have all they can do in the fall to supply the prairie trade.

(8) On an actual B.T.U. test, and taking the low moisture content and low ash into consideration, the Lethbridge coal is better than the lower seam Drumheller, but the coal is more friable and it is not got out in as large lumps as the Drumheller coal, and, owing to the depth of the Lethbridge mines, (from 600 to 700 ft.), costs at least $1.00 per ton more to mine; and the public in Ontario would not pay $1.00 more for Lethbridge coal than for the lower seam Drumheller.

The possibility of trouble developing in connection with trial shipments of western coal is very great because if any of the lower grade coals are shipped to the east, the Ontario public, being used to hard coal, are likely to be everlastingly prejudiced against ANY coal from Alberta.

It must also be borne in mind that the furnaces in Ontario homes are smaller in comparison than the furnaces found in Western Canada. The fire doors are somewhat smaller and there would be too much degradation in Western coal if shipped in small sizes and, at the present time, none of the Drumheller mines have machinery for breaking the coal to the standard sizes of anthracite, neither is there any standardization of sizes in Alberta. Generally speaking, the Alberta stove coal is about as big as the Ontario egg or furnace coal and the Alberta lump coal will average from 20 to 50 pounds in weight per ton.

RURAL MUNICIPALITY OF ST. JAMES

Information for Bond Holders

Please be advised that Debentures and Coupons of the Municipality, although originally drawn on some other Bank, will now be paid on presentation to the BANK OF MONTREAL.

By Order of the Council.
GEO. G. G. MILNE,
Secretary-Treasurer.

Municipal Offices,
2036 Portage Avenue,
St. James, Man.,
2nd April, 1923.

The Canadian Converters' Company, Limidet

DIVIDEND NOTICE

Notice is hereby given that a Dividend of One and Three-quarters (1¾%) Per Cent. has been declared on the Capital Stock of this Company, for the quarter ending April 30th, 1923, payable 15th May, 1923, to Shareholders of record at the close of business, 30th April, 1923.

By Order of the Board.
THOS. M. BARRINGTON,
Secretary-Treasurer.

Montreal, 10th April, 1923.

NOTICE TO BONDHOLDERS OF THE CANADIAN CROCKER-WHEELER COMPANY, LTD.

In accordance with the terms of the Trust Deed securing the issue of First Mortgage, Six Per Cent. Twenty-Year, Three Per Cent Sinking Fund Gold Bonds of the above-mentioned Company, executed in favor of The Imperial Trust Company, Trustee, on the 1st day of October, 1912, notice is hereby given that Twelve Thousand Dollars ($12,000) of Bonds have been drawn by lot by the Trustee for redemption for purposes of the Sinking Fund at par and accrued interest.

The Bonds so drawn are numbered as follows:—

002	013	049	123	
003	024	051	129	
005	043	078	171	
009	044	082	179	
011	047	114	185	$ 500.00 each
	213	300		$1,000.00 each

The holders of the said Bonds are hereby notified to present the same for redemption at the office of The Imperial Trust Company, 263 St. James Street, Montreal, on or before the 14th day of April, 1923, with the October, 1923, and all subsequent Coupons attached.

Bonds drawn for redemption shall cease to bear interest after the 14th day of April, 1923.

THE IMPERIAL TRUST COMPANY,
TRUSTEE.

Dated at Montreal, April 5th, 1923.

The Standard Bank of Canada

QUARTERLY DIVIDEND NOTICE NO. 130

A Dividend at the rate of Three and One-Half Per Cent. (3½) for the three months ending 30th April, 1923, has been declared payable on the 1st of May, 1923, to Shareholders of record as at the 17th of April, 1923.

By Order of the Board,
C. H. EASSON, General Manager.

Toronto, March 21st, 1923.